

Objection Deadline: July 26, 2012 at 4:00 p.m. (prevailing Eastern Time)
Hearing Date (if necessary): August 2, 2012 at 2:00 p.m. (prevailing Eastern Time)

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:

PATRIOT COAL CORPORATION, et al.,

Debtors.¹

Chapter 11

Case No. 12-12900 (SCC)

(Jointly Administered)

**APPLICATION OF THE DEBTORS FOR AUTHORITY TO
EMPLOY AND RETAIN ERNST & YOUNG LLP
AS INDEPENDENT AUDITOR AND TAX ADVISOR TO THE
DEBTORS
NUNC PRO TUNC TO THE PETITION DATE**

Patriot Coal Corporation (“**Patriot**”) and its subsidiaries that are debtors and debtors in possession in these proceedings (collectively, the “**Debtors**”) respectfully represent:

Relief Requested

1. By this application (the “**Application**”), the Debtors request authorization to retain and employ Ernst & Young LLP (“**EY LLP**”) as their independent auditor and tax advisor in these chapter 11 cases on the terms and conditions set forth in: (a) that certain audit engagement letter agreement between Patriot and EY LLP dated as of July 10, 2012 (the “**Audit Engagement Letter**”); (b) that certain carve-out audit engagement letter agreement between Patriot and EY LLP dated as of July 10, 2012 (the “**Carve-Out Audit Engagement Letter**”); and (c) that certain master services agreement between the

¹ The Debtors are the entities listed on Schedule 1 attached hereto. The employer tax identification numbers and addresses for each of the Debtors are set forth in the Debtors’ chapter 11 petitions.

Debtors and EY LLP (the “**MSA**”) and incorporated statement of work for bankruptcy tax advisory services (the “**Tax Advisory SOW**,” and together with the MSA, the “**Tax Engagement Letter**”), each dated as of July 18, 2012. The Audit Engagement Letter, the Carve-Out Audit Engagement Letter and the Tax Engagement Letter are respectively attached as Exhibits 1-A, 1-B and 1-C to the Declaration of Michael W. Hickenbotham, a partner of EY LLP (the “**Hickenbotham Declaration**”), filed in support of the Application and annexed hereto as Exhibit B. The Audit Engagement Letter, the Carve-Out Audit Engagement Letter and the Tax Engagement Letter are collectively referred to herein as the “**Engagement Letters**.”²

2. Specifically, the Debtors respectfully request entry of an order in the form attached hereto as Exhibit A pursuant to section 327(a) of title 11 of the United States Code (the “**Bankruptcy Code**”) authorizing EY LLP to perform audit and tax advisory services as specified in the Engagement Letters and as described below.

Background and Jurisdiction

3. On July 9, 2012 (the “**Petition Date**”), each Debtor commenced with this Court a voluntary case under chapter 11 of the Bankruptcy Code. The Debtors are authorized to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

4. Additional information about the Debtors’ businesses and the events leading up to the Petition Date can be found in the Declaration of Mark N. Schroeder, Patriot’s Senior Vice President and Chief Financial Officer, filed on July 9, 2012, [ECF No. 4] which is incorporated herein by reference.

² In the event of any inconsistency between the terms of the Engagement Letters or a portion thereof, as described herein, and the actual terms of the Engagement Letters, the latter shall control.

5. The Court has subject matter jurisdiction to consider this matter pursuant to 28 U.S.C. § 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b) and may be determined by the Bankruptcy Court. Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

Services to be Rendered

6. Pursuant to the terms of the Engagement Letters, the Debtors anticipate that EY LLP may render certain audit and tax advisory services (the “**Services**”) during these chapter 11 cases. Subject to the detailed description in the Engagement Letters, a summary description of the Services is set forth below:

(a) The Services under the Audit Engagement Letter include the following services (the “**Audit Services**”):

(i) Auditing and reporting on the consolidated financial statements of Patriot for the year ended December 31, 2012;

(ii) Auditing and reporting on the effectiveness of Patriot’s internal control over financial reporting as of December 31, 2012; and

(iii) Reviewing Patriot’s unaudited interim financial information before Patriot files each of its Form 10-Q’s for 2012, and issuing a report to the Audit Committee that provides negative assurance as to conformity with U.S. generally accepted accounting principles.

(b) The Services under the Carve-Out Audit Engagement Letter include the following services (the “**Carve-Out Audit Services**”):

(i) Auditing and reporting on the financial statements of Patriot’s Illinois Basin operating segment as of December 31, 2008, 2009, 2010, and 2011, and for the years ended, December 31, 2009, 2010, and 2011.

(c) The “**Tax Advisory Services**” under the Tax Advisory SOW include the following services:

(i) Advising the Debtors in developing an understanding of the tax implications of their bankruptcy restructuring alternatives and post-bankruptcy operations, including research and analysis of the Internal

Revenue Code, Treasury regulations, case law and other relevant US federal, state, and non-US tax authorities, as applicable;

(ii) Understanding reorganization and/or restructuring alternatives the Debtors are evaluating with existing bondholders and other creditors that may result in a change in the equity, capitalization and/or ownership of the shares of the Debtors or their assets;

(iii) Advising with respect to the calculations (“Section 382 calculations”) related to historic changes in ownership of the Debtors’ stock, including a determination of whether the shifts in stock ownership may have caused an ownership change that will restrict the use of tax attributes (such as net operating loss, capital loss and credit carry forwards and built-in losses) and the amount of any such limitation;

(iv) Advising with respect to the determination of the amount of the Debtors’ tax attributes, section 382 limitation (if any), discharge of indebtedness income, attribute reduction and net unrealized built-in loss and an estimate of the built-in loss to be recognized during the five-year, post-ownership change recognition period based on Notice 2003-65. EY LLP will confirm whether section 382(1)(5) may be applied to the plan of reorganization and, if so, review modeling to determine whether it is more advantageous to apply section 382(1)(5) or elect section 382(1)(6);

(v) Advising with respect to the analysis related to availability, limitations and preservation of tax attributes such as net operating losses, tax credits, stock and asset basis as a result of the application of the federal and state (or non-US local country if applicable) cancellation of indebtedness provisions, including the review of calculations to determine the amount of tax attributes reduction related to debt cancellation income. EY LLP will also assist with the analysis with respect to the benefits or detriments of making other related elections, such as the election under section 108(b)(5);

(vi) Advising with respect to tax analysis associated with planned or contemplated acquisitions and divestitures, including tax return disclosure and presentation;

(vii) Advising with respect to tax analysis and research related to tax-efficient domestic restructurings, including review of stock basis computations, non-income tax consequences, and verifying tax basis of assets and tax basis of subsidiary balance sheets for purposes of evaluating transactions;

(viii) Advising with respect to the analysis of historic returns, tax positions and Debtor records for the application of relevant

consolidated tax return rules to the current transaction, including but not limited to, deferred inter-company transactions, excess loss accounts and other consolidated return issues for each legal entity in the Debtors' US tax group;

(ix) Advising with respect to the federal, state and local tax treatment (including tax return disclosure and presentation) governing the timing and deductibility of expenses incurred before and during the bankruptcy period, including but not limited to, bankruptcy costs, severance costs, interest and financing costs, legal and professional fees, and other costs incurred as the Debtors rationalize their operations;

(x) Advising with respect to the federal, state and local country tax consequences of internal restructurings and rationalization of inter-company accounts;

(xi) Advising with respect to the federal, state and local tax consequences of potential material bad debt and worthless stock deductions, including tax return disclosure and presentation;

(xii) Providing documentation, as appropriate or necessary, of tax analysis, opinions, recommendations, conclusions and correspondence for any proposed restructuring alternative, bankruptcy tax issue, or other tax matter described above; and

(xiii) Advising with respect to taxing jurisdiction correspondence and post-petition return disclosure considerations (including requests for prompt tax liability determinations) for the Debtors' review and finalization with counsel, and overview of related tax considerations to be considered by the Debtors and counsel in the development of bankruptcy workplan.

7. Subject to this Court's approval of the Engagement Letters, EY LLP is willing to serve as the Debtors' independent auditor and tax advisor and to perform the Services. The services of EY LLP are appropriate and necessary to enable the Debtors to execute their duties as debtors and debtors in possession faithfully.

Qualifications of Professionals

8. The Debtors have selected EY LLP as their independent auditor and tax advisor because of the firm's diverse experience and extensive knowledge in the fields of accounting, taxation and bankruptcy.

9. The Debtors have employed EY LLP as independent auditor since 2007. By virtue of its prior engagement, EY LLP is familiar with the Debtors and is qualified to continue to provide auditing services to the Debtors. EY LLP had commenced the audit of Patriot's 2012 financial statements prior to the Petition Date. As such, retaining EY LLP is an efficient and cost effective manner in which the Debtors may obtain the requisite services.

Disinterestedness of Professionals

10. To the best of the Debtors' knowledge and except as disclosed in the Hickenbotham Declaration, (i) EY LLP and its professionals are "disinterested persons" as defined in section 101(14) of the Bankruptcy Code, as modified by section 1107(b) of the Bankruptcy Code and as required by section 327(a) and referenced by section 328(a) of the Bankruptcy Code, (ii) EY LLP does not hold or represent an interest adverse to the Debtors and their estates and otherwise meets the standards for employment under the Bankruptcy Code and (iii) EY LLP's connections with the Debtors' creditors, any other party in interest, or their respective attorneys are disclosed in the Hickenbotham Declaration.

Professional Compensation

11. Pursuant to the terms and conditions of the Engagement Letters, the Debtors have agreed to compensate EY LLP for the Services rendered in these chapter 11 cases

based on EY LLP's agreed hourly rates for the Services depending on the particular Services in question, as described in the Engagement Letters.

12. Subject to the description in the Engagement Letters, the rates, by classification of professional, are as follows:

(a) Audit Services and Carve-Out Audit Services:

Title	Rate Per Hour
National Partner/Principal	\$600
Partner/Principal//Executive Director	\$525
Senior Manager	\$430
Manager	\$375
Senior	\$275
Staff	\$190

(b) Tax Advisory Services:

Title	Rate Per Hour
National Tax/ Transaction Services Partner/Principal	\$600
Partner/Principal//Executive Director	\$525
Senior Manager	\$430
Manager	\$375
Senior	\$275
Staff	\$190

13. In addition to the fees set forth above, the Debtors and EY LLP have agreed that the Debtors shall reimburse EY LLP for any actual, documented and reasonable direct expenses incurred in connection with EY LLP's retention in these chapter 11 cases and the performance of the Services. EY LLP's direct expenses shall include reasonable and customary out-of-pocket expenses for items such as travel, meals, accommodations and other expenses specifically related to this engagement.

14. EY LLP intends to apply to the Court for the allowance of compensation for professional services rendered and reimbursement of expenses incurred consistent with the terms of the Engagement Letters and in accordance with the applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, the Local Bankruptcy Rules, the Standing Order Establishing Procedures For Monthly Compensation and Reimbursement of Expenses of Professionals [M-412] (Dec. 21, 2010), the Amended Guidelines for Fees and Disbursements for Professionals in Southern District of New York Bankruptcy Cases [M-389] (Nov. 25, 2009), the fee and expense guidelines established by the United States Trustee for the Southern District of New York (the "**U.S. Trustee**") (collectively, the "**Fee Guidelines**") and any applicable orders of this Court. EY LLP understands that interim and final fee awards are subject to approval by this Court. The Debtors believe that the aforementioned fees and expense reimbursement policy are fair and reasonable in light of (a) industry practice, (b) market rates charged for comparable services both in and out of the chapter 11 context and (c) EY LLP's experience with respect to these services.

15. Pursuant to the Debtors' request and due to exigent circumstances, EY LLP commenced this engagement immediately and with assurances that the Debtors would seek approval of its employment *nunc pro tunc* to the Petition Date.

16. Based upon the foregoing, the Debtors submit that cause exists to authorize the retention of EY LLP *nunc pro tunc* to the Petition Date.

Notice

17. Consistent with the Order Establishing Certain Notice, Case Management and Administrative Procedures entered on July 16, 2012 [ECF No. 84] (the "**Case Management Order**"), the Debtors will serve notice of this Motion on (a) the Core Parties and (b) the Non-ECF Service Parties (as those terms are defined in the Case Management Order). All parties who have requested electronic notice of filings in these cases through the Court's ECF system will automatically receive notice of this motion through the ECF system no later than the day after its filing with the Court. A copy of this motion and any order approving it will also be made available on the Debtors' Case Information Website (located at www.PatriotCaseInfo.com). In light of the relief requested, the Debtors submit that no further notice is necessary. Pursuant to paragraph 21 of the Case Management Order, if no objections are timely filed and served in accordance therewith, an order granting the relief requested herein may be entered without a hearing.

18. In light of the nature of the relief requested herein, the Debtors submit that no other or further notice of this Application is necessary or required.

No Previous Relief

19. No previous request for the relief sought herein has been made to this or any other Court.

WHEREFORE, the Debtors respectfully request that the Court grant the relief requested herein and such other and further relief as is just and proper.

Dated: New York, New York
July 19, 2012

By: /s/ Mark N. Schroeder
Mark N. Schroeder
Senior Vice President and Chief
Financial Officer
Patriot Coal Corporation

SCHEDULE 1
(Debtor Entities)

1. Affinity Mining Company
2. Apogee Coal Company, LLC
3. Appalachia Mine Services, LLC
4. Beaver Dam Coal Company, LLC
5. Big Eagle, LLC
6. Big Eagle Rail, LLC
7. Black Stallion Coal Company, LLC
8. Black Walnut Coal Company
9. Bluegrass Mine Services, LLC
10. Brook Trout Coal, LLC
11. Catenary Coal Company, LLC
12. Central States Coal Reserves of Kentucky, LLC
13. Charles Coal Company, LLC
14. Cleaton Coal Company
15. Coal Clean LLC
16. Coal Properties, LLC
17. Coal Reserve Holding Limited Liability Company
No. 2
18. Colony Bay Coal Company
19. Cook Mountain Coal Company, LLC
20. Corydon Resources LLC
21. Coventry Mining Services, LLC
22. Coyote Coal Company LLC
23. Cub Branch Coal Company LLC
24. Dakota LLC
25. Day LLC
26. Dixon Mining Company, LLC
27. Dodge Hill Holding JV, LLC
28. Dodge Hill Mining Company, LLC
29. Dodge Hill of Kentucky, LLC
30. EACC Camps, Inc.
31. Eastern Associated Coal, LLC
32. Eastern Coal Company, LLC
33. Eastern Royalty, LLC
34. Emerald Processing, L.L.C.
35. Gateway Eagle Coal Company, LLC
36. Grand Eagle Mining, LLC
37. Heritage Coal Company LLC
38. Highland Mining Company, LLC
39. Hillside Mining Company
40. Hobet Mining, LLC
41. Indian Hill Company LLC
42. Infinity Coal Sales, LLC
43. Interior Holdings, LLC
44. IO Coal LLC
45. Jarrell's Branch Coal Company
46. Jupiter Holdings LLC
47. Kanawha Eagle Coal, LLC
48. Kanawha River Ventures I, LLC
49. Kanawha River Ventures II, LLC
51. KE Ventures, LLC
52. Little Creek LLC
53. Logan Fork Coal Company
54. Magnum Coal Company LLC
55. Magnum Coal Sales LLC
56. Martinka Coal Company, LLC
57. Midland Trail Energy LLC
58. Midwest Coal Resources II, LLC
59. Mountain View Coal Company, LLC
60. New Trout Coal Holdings II, LLC
61. Newtown Energy, Inc.
62. North Page Coal Corp.
63. Ohio County Coal Company, LLC
64. Panther LLC
65. Patriot Beaver Dam Holdings, LLC
66. Patriot Coal Company, L.P.
67. Patriot Coal Corporation
68. Patriot Coal Sales LLC
69. Patriot Coal Services LLC
70. Patriot Leasing Company LLC
71. Patriot Midwest Holdings, LLC
72. Patriot Reserve Holdings, LLC
73. Patriot Trading LLC
74. PCX Enterprises, Inc.
75. Pine Ridge Coal Company, LLC
76. Pond Creek Land Resources, LLC
77. Pond Fork Processing LLC
78. Remington Holdings LLC
79. Remington II LLC
80. Remington LLC
81. Rivers Edge Mining, Inc.
82. Robin Land Company, LLC
83. Sentry Mining, LLC
84. Snowberry Land Company
85. Speed Mining LLC
86. Sterling Smokeless Coal Company, LLC
87. TC Sales Company, LLC
88. The Presidents Energy Company LLC
89. Thunderhill Coal LLC
90. Trout Coal Holdings, LLC
91. Union County Coal Co., LLC
92. Viper LLC
93. Weatherby Processing LLC
94. Wildcat Energy LLC
95. Wildcat, LLC
96. Will Scarlet Properties LLC
97. Winchester LLC
98. Winifrede Dock Limited Liability
Company
99. Yankeetown Dock, LLC

Exhibit A

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:

PATRIOT COAL CORPORATION, et al.,

Debtors.¹

Chapter 11

Case No. 12-12900 (SCC)

(Jointly Administered)

**ORDER AUTHORIZING THE EMPLOYMENT AND RETENTION
OF ERNST & YOUNG LLP AS INDEPENDENT AUDITOR
TO THE DEBTORS
NUNC PRO TUNC TO THE PETITION DATE**

Upon the application (the “**Application**”)² of Patriot Coal Corporation and its subsidiaries that are debtors and debtors in possession in these proceedings (collectively, the “**Debtors**”), pursuant to section 327(a) of the Bankruptcy Code and Bankruptcy Rule 2014(a) for authorization to employ and retain Ernst & Young LLP (“**EY LLP**”), as independent auditor; and upon the Declaration of Michael W. Hickenbotham, a partner of EY LLP, filed in support of the Application and annexed to the Application as Exhibit B thereto (the “**Hickenbotham Declaration**”); and the Court being satisfied, based on the representations made in the Application and the Hickenbotham Declaration, that EY LLP is a “disinterested person” as defined in section 101(14) of the Bankruptcy Code, as modified by section 1107(b) of the Bankruptcy Code, and, as required by section 327(a) and referenced by section 328(c) of the Bankruptcy Code, neither holds nor represents

¹ The Debtors are the entities listed on Schedule 1 attached to the Application. The employer tax identification numbers and addresses for each of the Debtors are set forth in the Debtors’ chapter 11 petitions.

² Unless otherwise defined herein, all capitalized terms shall have the meaning ascribed to them in the Application.

any interest adverse to the Debtors and their estates and otherwise meets the standards for employment under the Bankruptcy Code; and the Court having jurisdiction to consider the Application and the relief requested therein pursuant to 28 U.S.C. § 1334 and the Standing Order M-61 Referring to Bankruptcy Judges for the Southern District of New York Any and All Proceedings Under Title 11, dated July 10, 1984 (Ward, Acting C.J.) as amended by Standing Order M-431, dated February 1, 2012 (Preska, C.J.); and consideration of the Application and the requested relief being a core proceeding the Bankruptcy Court can determine pursuant to 28 U.S.C. § 157(b)(2); and due and proper notice of the Application having been provided, and it appearing that no other or further notice need be provided; and the relief requested in the Application being in the best interests of the Debtors and their estates and creditors; and the Court having reviewed the Application [and having held a hearing with appearances of parties in interest noted in the transcript thereof (the “**Hearing**”)]; and the Court having determined that the legal and factual bases set forth in the Application [and at the Hearing] establish just cause for the relief granted herein; and upon all of the proceedings had before the Court and after due deliberation and sufficient cause appearing therefor, it is

ORDERED that the Application is approved; and it is further

ORDERED that the Debtors are hereby authorized to employ and retain EY LLP in the Debtors’ chapter 11 cases, *nunc pro tunc* to the Petition Date, on the terms provided in the Engagement Letters, which are hereby approved as modified herein; and it is further

ORDERED that the Audit Services under the Audit Engagement Letter consist of the following services:

- (i) Auditing and reporting on the consolidated financial statements of Patriot for the year ended December 31, 2012;
- (ii) Auditing and reporting on the effectiveness of Patriot's internal control over financial reporting as of December 31, 2012; and
- (iii) Reviewing Patriot's unaudited interim financial information before Patriot files each of its Form 10-Q's for 2012, and issuing a report to the Audit Committee that provides negative assurance as to conformity with U.S. generally accepted accounting principles; and it is further

ORDERED that the Carve-Out Audit Services under the Carve-Out Audit Engagement Letter consist of the following services:

- (i) Auditing and reporting on the financial statements of Patriot's Illinois Basin operating segment as of December 31, 2008, 2009, 2010, and 2011, and for the years ended, December 31, 2009, 2010, and 2011.

ORDERED that the Tax Advisory Services under the Tax Advisory SOW consist of the following services:

- (i) Advising the Debtors in developing an understanding of the tax implications of their bankruptcy restructuring alternatives and post-bankruptcy operations, including research and analysis of the Internal Revenue Code, Treasury regulations, case law and other relevant US federal, state, and non-US tax authorities, as applicable;
- (ii) Understanding reorganization and/or restructuring alternatives the Debtors are evaluating with existing bondholders and other creditors that may result in a change in the equity, capitalization and/or ownership of the shares of the Debtors or their assets;
- (iii) Advising with respect to the calculations ("Section 382 calculations") related to historic changes in ownership of the Debtors' stock, including a determination of whether the shifts in stock ownership may have caused an ownership change that will restrict the use of tax attributes (such as net operating loss, capital loss and credit carry forwards and built-in losses) and the amount of any such limitation;
- (iv) Advising with respect to the determination of the amount of the Debtors' tax attributes, section 382 limitation (if any), discharge of indebtedness income, attribute reduction and net unrealized built-in loss

and an estimate of the built-in loss to be recognized during the five-year, post-ownership change recognition period based on Notice 2003-65. EY LLP will confirm whether section 382(l)(5) may be applied to the plan of reorganization and, if so, review modeling to determine whether it is more advantageous to apply section 382(l)(5) or elect section 382(l)(6);

(v) Advising with respect to the analysis related to availability, limitations and preservation of tax attributes such as net operating losses, tax credits, stock and asset basis as a result of the application of the federal and state (or non-US local country if applicable) cancellation of indebtedness provisions, including the review of calculations to determine the amount of tax attributes reduction related to debt cancellation income. EY LLP will also assist with the analysis with respect to the benefits or detriments of making other related elections, such as the election under section 108(b)(5);

(vi) Advising with respect to tax analysis associated with planned or contemplated acquisitions and divestitures, including tax return disclosure and presentation;

(vii) Advising with respect to tax analysis and research related to tax-efficient domestic restructurings, including review of stock basis computations, non-income tax consequences, and verifying tax basis of assets and tax basis of subsidiary balance sheets for purposes of evaluating transactions;

(viii) Advising with respect to the analysis of historic returns, tax positions and Debtor records for the application of relevant consolidated tax return rules to the current transaction, including but not limited to, deferred inter-company transactions, excess loss accounts and other consolidated return issues for each legal entity in the Debtors' US tax group;

(ix) Advising with respect to the federal, state and local tax treatment (including tax return disclosure and presentation) governing the timing and deductibility of expenses incurred before and during the bankruptcy period, including but not limited to, bankruptcy costs, severance costs, interest and financing costs, legal and professional fees, and other costs incurred as the Debtors rationalize their operations;

(x) Advising with respect to the federal, state and local country tax consequences of internal restructurings and rationalization of inter-company accounts;

(xi) Advising with respect to the federal, state and local tax consequences of potential material bad debt and worthless stock deductions, including tax return disclosure and presentation; and

(xii) Providing documentation, as appropriate or necessary, of tax analysis, opinions, recommendations, conclusions and correspondence for any proposed restructuring alternative, bankruptcy tax issue, or other tax matter described above; and

(xiii) Advising with respect to taxing jurisdiction correspondence and post-petition return disclosure considerations (including requests for prompt tax liability determinations) for the Debtors' review and finalization with counsel, and overview of related tax considerations to be considered by the Debtors and counsel in the development of bankruptcy workplan; and it is further

ORDERED that EY LLP shall be compensated in accordance with, and will file interim and final fee applications for the allowance of compensation for services rendered and reimbursement of expenses incurred in accordance with sections 330 and 331 of the Bankruptcy Code, applicable Bankruptcy Rules, Local Bankruptcy Rules, the Standing Order Establishing Procedures For Monthly Compensation and Reimbursement of Expenses of Professionals [M-412] (Dec. 21, 2010), the Amended Guidelines for Fees and Disbursements for Professionals in Southern District of New York Bankruptcy Cases [M-389] (Nov. 25, 2009), and the U.S. Trustee Guidelines (collectively, the "**Fee Guidelines**"), and any applicable orders of this Court; and it is further

ORDERED that EY LLP shall keep reasonably detailed time records in one-tenth of an hour increments and will submit, with any interim or final fee application, together with the time records, a narrative summary, by project category, of services rendered and will identify each professional rendering services, the category of services rendered and the amount of compensation requested; and it is further

ORDERED, that prior to any increases in the hourly rates, EY LLP shall file a supplemental affidavit with the Court and give ten business days' notice to the Debtors, the United States Trustee and any official committee, which supplemental affidavit shall explain the basis for the requested rate increase in accordance with section 330(a)(3)(F) of the Bankruptcy Code and indicate whether the client has received notice of and approved the proposed rate increase; and it is further

ORDERED that the limitation of liability in paragraph 16 of the terms and conditions attached to the MSA shall not apply to the extent the relevant claims are judicially determined by a court of competent jurisdiction to have arisen from the gross negligence, willful misconduct or breach of fiduciary duty, if any, of EY LLP; and it is further

ORDERED that the Debtors shall indemnify EY LLP under the terms of the Tax Engagement Letter; and it is further

ORDERED that all requests of EY LLP for payment of indemnity pursuant to the Tax Engagement Letter shall be made by means of an application (interim or final, as applicable) and shall be subject to review by the Court to ensure that payment of such indemnity conforms to the terms of the Tax Engagement Letter and is reasonable based upon the circumstances of the litigation or settlement in respect of which indemnity is sought, provided however, that in no event shall EY LLP be indemnified in the case of its own bad-faith, self-dealing, breach of fiduciary duty (if any), gross negligence or willful misconduct; and it is further

ORDERED, that in the event that EY LLP seeks reimbursement from the Debtors' for attorneys' fees and expenses in connection with the payment of an

indemnity claim pursuant to the Tax Engagement Letter, the invoices and supporting time records for the attorneys' fees and expenses shall be included in EY LLP's own applications, both interim and final, but determined by this Court after notice and a hearing; and it is further

ORDERED that the Debtors are authorized and empowered to take all actions necessary to implement the relief granted in this Order; and it is further

ORDERED that the terms and conditions of this Order shall be immediately effective and enforceable upon its entry; and it is further

ORDERED that the relief granted herein shall be binding upon any chapter 11 trustee appointed in these chapter 11 cases, or upon any chapter 7 trustee appointed in the event of a subsequent conversion of these chapter 11 cases to cases under chapter 7; and it is further

ORDERED that the notice procedures set forth in the Motion are good and sufficient notice and satisfy Bankruptcy Rule 9014 by providing the counterparties with a notice and an opportunity to object and be heard at a hearing; and it is further

Dated: New York, New York
_____, 2012

THE HONORABLE SHELLEY C. CHAPMAN
UNITED STATES BANKRUPTCY JUDGE

Exhibit B

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:

PATRIOT COAL CORPORATION, et al.,

Debtors.¹

Chapter 11

Case No. 12-12900 (SCC)

(Jointly Administered)

**DECLARATION IN SUPPORT OF APPLICATION OF THE DEBTORS FOR
AUTHORITY TO EMPLOY AND RETAIN ERNST & YOUNG LLP
AS INDEPENDENT AUDITOR AND TAX ADVISOR TO THE DEBTORS
NUNC PRO TUNC TO THE PETITION DATE**

I, Michael W. Hickenbotham, under penalty of perjury, declare as follows:

1. I am a partner of Ernst & Young LLP (“**EY LLP**”). I make this declaration on behalf of EY LLP in support of the application (the “**Application**”)² of Patriot Coal Corporation (“**Patriot**”), and certain of its above-captioned affiliates, as debtors and debtors in possession (collectively, the “**Debtors**”) to retain and employ EY LLP, pursuant to sections 327(a) and 328(a) of title 11 of the United States Code (the “**Bankruptcy Code**”), Rules 2014(a) and 2016 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”), and Rules 2014-1 and 2016-1 of the Local Bankruptcy Rules of the Southern District of New York (the “**Local Rules**”), *nunc pro tunc* to the Petition Date, to provide audit and tax advisory services pursuant to the terms and conditions set forth in: (a) the audit engagement letter agreement between Patriot and EY LLP dated as of July 10, 2012, a copy of which is attached hereto as Exhibit 1-A

¹ The Debtors are the entities listed on Schedule 1 attached to the Application. The employer tax identification numbers and addresses for each of the Debtors are set forth in the Debtors’ chapter 11 petitions.

² Capitalized terms used herein as defined terms and not otherwise defined shall have those meanings ascribed to them in the Application.

(the “**Audit Engagement Letter**”); (b) the carve-out audit engagement letter agreement between Patriot and EY LLP dated as of July 10, 2012, a copy of which is attached hereto as Exhibit 1-B (the “**Carve-Out Audit Engagement Letter**”); and (c) the master services agreement between the Debtors and EY LLP (the “**MSA**”) and incorporated statement of work for bankruptcy tax advisory services (the “**Tax Advisory SOW**,” and together with the MSA, the “**Tax Engagement Letter**”), each dated as of July 18, 2012, copies of which are attached hereto as Exhibit 1-C. The Audit Engagement Letter, the Carve-Out Audit Engagement Letter and the Tax Engagement Letter are collectively referred to herein as the “**Engagement Letters.**”

2. The facts set forth in this declaration are based upon my personal knowledge, information and belief, and upon client matter records kept in the ordinary course of business that were reviewed by me or other employees of EY LLP under my supervision and direction. The procedures pursuant to which EY LLP determined whether there were any connections between EY LLP and interested parties in these chapter 11 cases are described below. The results of that investigation are set forth herein and in Exhibit 2 appended hereto.

Scope of Services

3. As set forth in further detail in the Engagement Letters, EY LLP has agreed to provide certain audit and tax advisory services (the “**Services**”) in connection with these chapter 11 cases, subject to approval by the Court of the Application and the terms and conditions of the Engagement Letters. Subject to the detailed description in the Engagement Letters, a summary description of the Services is set forth below:

- a. The “**Audit Services**” under the Audit Engagement Letter include the following services:
 1. Auditing and reporting on the consolidated financial statements of Patriot for the year ended December 31, 2012;

2. Auditing and reporting on the effectiveness of Patriot's internal control over financial reporting as of December 31, 2012; and
 3. Reviewing Patriot's unaudited interim financial information before Patriot files each of its Form 10-Q's for 2012, and issuing a report to the Audit Committee that provides negative assurance as to conformity with U.S. generally accepted accounting principles.
- b. The "**Carve-Out Audit Services**" under the Carve-Out Audit Engagement Letter include the following services:
1. Auditing and reporting on the financial statements of Patriot's Illinois Basin operating segment as of December 31, 2008, 2009, 2010, and 2011, and for the years ended, December 31, 2009, 2010, and 2011.
- c. The "**Tax Advisory Services**" under the Tax Advisory SOW include the following services:
1. Advising the Debtors in developing an understanding of the tax implications of their bankruptcy restructuring alternatives and post-bankruptcy operations, including research and analysis of the Internal Revenue Code, Treasury regulations, case law and other relevant US federal, state, and non-US tax authorities, as applicable;
 2. Understanding reorganization and/or restructuring alternatives the Debtors are evaluating with existing bondholders and other creditors that may result in a change in the equity, capitalization and/or ownership of the shares of the Debtors or their assets;
 3. Advising with respect to the calculations ("Section 382 calculations") related to historic changes in ownership of the Debtors' stock, including a determination of whether the shifts in stock ownership may have caused an ownership change that will restrict the use of tax attributes (such as net operating loss, capital loss and credit carry forwards and built-in losses) and the amount of any such limitation;
 4. Advising with respect to the determination of the amount of the Debtors' tax attributes, section 382 limitation (if any), discharge of indebtedness income, attribute reduction and net unrealized built-in loss and an estimate of the built-in loss to be recognized during the five-year, post-ownership change recognition period based on Notice 2003-65. EY LLP will confirm whether section 382(l)(5) may be applied to the plan of reorganization and, if so, review modeling to determine whether it is more advantageous to apply section 382(l)(5) or elect section 382(l)(6);
 5. Advising with respect to the analysis related to availability, limitations and preservation of tax attributes such as net operating losses, tax credits, stock and asset basis as a result of the application of the federal and state

(or non-US local country if applicable) cancellation of indebtedness provisions, including the review of calculations to determine the amount of tax attributes reduction related to debt cancellation income. EY LLP will also assist with the analysis with respect to the benefits or detriments of making other related elections, such as the election under section 108(b)(5);

6. Advising with respect to tax analysis associated with planned or contemplated acquisitions and divestitures, including tax return disclosure and presentation;
7. Advising with respect to tax analysis and research related to tax-efficient domestic restructurings, including review of stock basis computations, non-income tax consequences, and verifying tax basis of assets and tax basis of subsidiary balance sheets for purposes of evaluating transactions;
8. Advising with respect to the analysis of historic returns, tax positions and Debtor records for the application of relevant consolidated tax return rules to the current transaction, including but not limited to, deferred inter-company transactions, excess loss accounts and other consolidated return issues for each legal entity in the Debtors' US tax group;
9. Advising with respect to the federal, state and local tax treatment (including tax return disclosure and presentation) governing the timing and deductibility of expenses incurred before and during the bankruptcy period, including but not limited to, bankruptcy costs, severance costs, interest and financing costs, legal and professional fees, and other costs incurred as the Debtors rationalize their operations;
10. Advising with respect to the federal, state and local country tax consequences of internal restructurings and rationalization of inter-company accounts;
11. Advising with respect to the federal, state and local tax consequences of potential material bad debt and worthless stock deductions, including tax return disclosure and presentation;
12. Providing documentation, as appropriate or necessary, of tax analysis, opinions, recommendations, conclusions and correspondence for any proposed restructuring alternative, bankruptcy tax issue, or other tax matter described above; and
13. Advising with respect to taxing jurisdiction correspondence and post-petition return disclosure considerations (including requests for prompt tax liability determinations) for the Debtors' review and finalization with counsel, and overview of related tax considerations to be considered by the Debtors' and counsel in the development of bankruptcy workplan.

Professional Compensation

4. Pursuant to the terms and conditions of the Engagement Letters, EY LLP intends to charge the Debtors for the Services rendered in these chapter 11 cases based on its agreed hourly rates for the Services depending on the particular Services in question, as described in the Engagement Letters.

5. Subject to the description in the Engagement Letters, the rates, by classification of professional, are as follows:

a. Audit Services and Carve-Out Audit Services:

Title	Rate Per Hour
National Partner/Principal	\$600
Partner/Principal//Executive Director	\$525
Senior Manager	\$430
Manager	\$375
Senior	\$275
Staff	\$190

b. Tax Advisory Services:

Title	Rate Per Hour
National Tax/ Transaction Services Partner/Principal	\$600
Partner/Principal//Executive Director	\$525
Senior Manager	\$430
Manager	\$375

Senior	\$275
Staff	\$190

6. EY LLP has estimated that the fees for the Carve-Out Audit Services will be approximately \$275,000, exclusive of any fees incurred for work due to changes in the business, complying with bankruptcy retention and fee requirements or out of scope work.

7. EY LLP's hourly rates are subject to annual adjustment each July 1.

8. In addition to the fees set forth above, the Debtors and EY LLP have agreed that the Debtors shall reimburse EY LLP for any actual, reasonable, and documented direct expenses incurred in connection with EY LLP's retention in these chapter 11 cases and the performance of the Services. EY LLP's direct expenses shall include reasonable and customary out-of-pocket expenses for items such as travel, meals, accommodations and other expenses specifically related to this engagement.

Certain Terms of Engagement

9. Copies of the Engagement Letters are attached hereto for the Court's approval.³ EY LLP's provision of Services to the Debtors is contingent upon the Court's approval of the terms and conditions set forth in the Engagement Letters. Included among the terms and conditions set forth in each of the Engagement Letters is language substantially similar to the following:

Any controversy or claim with respect to, in connection with, arising out of, or in any way related to this Engagement Letter or the services provided hereunder (including any such matter involving any parent, subsidiary, affiliate, successor in interest or agent of Debtors or their subsidiaries or of EY LLP) shall be brought in the Bankruptcy Court or the applicable district court (if such district court withdraws the reference)

³ To the extent that this declaration and the terms of the Engagement Letter or a portion thereof are inconsistent, the terms of the Engagement Letter shall control.

and the parties to this Engagement Letter, and any and all successors and assigns thereof, consent to the jurisdiction and venue of such court as the sole and exclusive forum (unless such court does not have jurisdiction and venue of such claims or controversies) for the resolution of such claims, causes of action or lawsuits. The parties to this Engagement Letter, and any and all successors and assigns thereof, hereby waive trial by jury, such waiver being informed and freely made. If the Bankruptcy Court, or the district court upon withdrawal of the reference, does not have or retain jurisdiction over the foregoing claims or controversies, the parties to this Engagement Letter and any and all successors and assigns thereof, agree to submit first to nonbinding mediation; and, if mediation is not successful, then to binding arbitration, in accordance with the dispute resolution procedures as set forth in the attachment to this Engagement Letter, which is incorporated herein by reference. Judgment on any arbitration award may be entered in any court having proper jurisdiction. The foregoing is binding upon the Debtors, EY LLP and any all successors and assigns thereof.

10. In addition, included among the terms and conditions set forth in the MSA is limitation of liability language substantially similar to the following:

The non-EY LLP signatories (and any others for whom Services are provided) may not recover from EY LLP, in contract or tort, under statute or otherwise, any amount with respect to loss of profit, data or goodwill, or any other consequential, incidental, indirect, punitive or special damages in connection with claims arising out of this Agreement or otherwise relating to the Services, whether or not the likelihood of such loss or damage was contemplated.

The non-EY LLP signatories (and any others for whom Services are provided) may not recover from EY LLP, in contract or tort, under statute or otherwise, aggregate damages in excess of the fees actually paid for the Services that directly caused the loss in connection with claims arising out of this Agreement or otherwise relating to the Services. This limitation will not apply to losses caused by EY LLP's gross negligence, bad faith or willful misconduct or to the extent prohibited by applicable law or professional regulations

The non-EY LLP signatories shall make any claim relating to the Services or otherwise under this Agreement no later than one year after the non-EY LLP signatories became aware (or ought reasonably to have become aware) of the facts giving rise to any alleged such claim and in any event, no later than two years after the completion of the particular Services. This limitation will not apply to the extent prohibited by applicable law or professional regulations.

The non-EY LLP signatories may not make a claim or bring proceedings relating to the Services or otherwise under this Agreement against any other EY Firm or EY LLP's or its subcontractors, members, shareholders, directors, officers, partners, principals or employees ("EY Persons"). The non-EY LLP signatories shall make any claim or bring proceedings only against EY LLP. These limitations are intended to benefit the other EY Firms and all EY Persons, who shall be entitled to enforce them.

11. The MSA also contains indemnification language with respect to disclosure of reports or a third party's use or reliance on any report substantially similar to the following:

To the fullest extent permitted by applicable law and professional regulations, the non-EY LLP signatories shall indemnify EY LLP, the other EY Firms and the EY Persons against all claims by third parties (including the Debtors' affiliates) and resulting liabilities, losses, damages, costs and expenses (including reasonable external and internal legal costs) arising out of the disclosure of any Report (other than Tax Advice), or a third party's use of or reliance on any Report (including Tax Advice) except to the extent determined to have resulted from our gross negligence, bad faith or willful misconduct.

12. The Debtors or EY LLP may terminate the Engagement Letters at any time, but in any event the Engagement Letters will terminate upon the effective date of the Debtors' confirmed plan of reorganization, or liquidation of the Debtors' assets under chapter 11 or 7 of the Bankruptcy Code. Notwithstanding any such termination, the provisions of Engagement Letters set forth in the sections entitled "Fees," "Fees and billings," "Fees and expenses generally," "Limitations," "Indemnity," and "Other Matters," including but not limited to the alternative dispute provisions in the Engagement Letters, will remain operative and in full force and effect regardless of any termination or expiration of the Engagement Letters and shall survive completion of the Debtors' bankruptcy whether through a confirmed plan of reorganization or liquidation of the Debtors' assets under chapter 11 or 7 of the Bankruptcy

Code. Upon any such termination of the Engagement Letters, the Debtors will remain obligated to pay all accrued fees and expenses as of the effective date of such termination.

Disclosure of Connections

13. In connection with EY LLP's proposed retention by the Debtors, EY LLP has requested from the Debtors the names of the following categories of entities:

- (a) Debtors;
- (b) Debtors' Attorneys (general counsel and special bankruptcy counsel);
- (c) Debtors' Other Professionals retained in connection with these chapter 11 cases;
- (d) Non-Debtor Affiliates;
- (e) Non-Debtor Affiliates' Attorneys;
- (f) Non-Debtor Affiliates' Other Professionals retained in connection with these chapter 11 cases;
- (g) Debtors' Officers;
- (h) Debtors' Officers' Attorneys retained in connection with these chapter 11 cases;
- (i) Debtors' Officers' Other Business Affiliations;
- (j) Debtors' Directors;
- (k) Debtors' Directors' Attorneys retained in connection with these chapter 11 cases;
- (l) Debtors' Directors' Other Business Affiliations;
- (m) Debtors' Major Shareholders (5% or more);
- (n) Debtors' Major Shareholders' Attorneys retained in connection with these chapter 11 cases;
- (o) All Secured Lenders, including DIP lenders;
- (p) All Secured Lenders' Attorneys retained in connection with these chapter 11 cases;
- (q) All Substantial Unsecured Bondholders or Lenders;

- (r) All Substantial Unsecured Bondholders or Lenders' Attorneys retained in connection with these chapter 11 cases;
- (s) All Indenture Trustees;
- (t) All Indenture Trustees' Attorneys retained in connection with these chapter 11 cases;
- (u) Official Statutory Committees Members (All Committees);
- (v) Official Statutory Committees' Attorneys (for each Official Committee);
- (w) Official Statutory Committees' Other Professionals retained by each Official Committee;
- (x) Official Statutory Committees Members' Attorneys retained in connection with these chapter 11 cases;
- (y) Largest Unsecured Creditors List Parties (Up to 50);
- (z) Largest Unsecured Creditors' Attorneys retained in connection with these chapter 11 cases;
- (aa) Parties to the Debtors' Significant Executory Contracts and Leases;
- (bb) Parties to the Debtors' Significant Executory Contracts and Leases Attorneys retained in connection with these chapter 11 cases;
- (cc) Other Significant Parties-in-Interest including parties in material litigation against the Debtors; and/or parties to potential significant transactions with the Debtors; and
- (dd) Other Significant Parties-in-Interest Attorneys retained in connection with these chapter 11 cases.

14. EY LLP has not received from the Debtors, or does not know of, any persons or entities that would fall into categories: (e), (f), (h), (i); (k), (n), (q), (r), (s), (t), (u), (v), (w), (x), (z), (bb), and (dd). As to the approximately 770 persons or entities identified in the remaining categories set forth above, EY LLP received from the Debtors lists of such parties, as listed on Exhibit 2 attached hereto, and searched or caused to be searched certain databases to determine whether EY LLP has provided in the recent past or is currently providing services to the parties-in-interest listed on Exhibit 2. To the extent that EY LLP's research of relationships with the

parties-in-interest listed on Exhibit 2 indicated that EY LLP has had in the recent past, or currently has, a client relationship with such parties-in-interest in matters unrelated to these chapter 11 cases, EY LLP has so indicated on Exhibit 2. Should additional significant relationships with parties-in-interest become known to EY LLP, a supplemental declaration will be filed by EY LLP with the Court.

15. To the best of my knowledge, information and belief, formed after reasonable inquiry, except as otherwise set forth herein, none of the services rendered by EY LLP to the entities set forth on Exhibit 2 hereto have been in connection with the Debtors or these chapter 11 cases. EY LLP believes that these relationships will not impair EY LLP's ability to objectively perform professional services on behalf of the Debtors. EY LLP will not accept any engagement that would require EY LLP to represent an interest materially adverse to the Debtors.

16. As part of its practice, EY LLP appears in cases, proceedings and transactions involving many different attorneys, financial advisors and creditors, some of which may represent or be claimants and/or parties in interest in these chapter 11 cases. EY LLP will have no relationship with any such entity, attorney or financial advisor that would be materially adverse to the Debtors. EY LLP believes that the professionals closely associated with the Debtors' chapter 11 cases listed on Exhibit 3 have provided in the past and/or are currently providing services to EY LLP. Counsel for the Debtors, Davis Polk & Wardwell LLP, has provided in the past and presently provides services for EY LLP in matters unrelated to the Debtors or these cases.

17. EY LLP is currently a party or participant in certain litigation matters involving parties-in-interest in these chapter 11 cases. Case information and the parties-in-interest involved in these matters are provided in Exhibit 4 to this declaration.

18. EY LLP has thousands of professional employees. It is possible that certain employees of EY LLP may have business associations with parties in interest in these chapter 11 cases or hold securities of the Debtors or interests in mutual funds or other investment vehicles that may own securities of the Debtors.

19. Certain entities that are parties in interest are lenders to EY LLP: Barclays Bank, Citibank, NA, Fifth Third Bank, and PNC Bank NA are participants in EY LLP's revolving credit program, and EY LLP has borrowed long term debt from Metlife (Metropolitan Life Insurance Company), Westchester Fire Insurance Company and Western Surety Company.

20. EY LLP may perform services for its clients that relate to the Debtors merely because such clients may be creditors or counterparties to transactions with the Debtors and such clients' assets and liabilities may thus be affected by the Debtors' status. The disclosures set forth herein do not include specific indication of such services. If such clients of EY LLP are potential parties in interest in these cases, Exhibit 2 attached hereto indicates that they are also clients of EY LLP.

21. The brother in law of the Assistant General Counsel of EY LLP that is coordinating the preparation of the requisite EY LLP documentation in connection with the Debtors' application to employ EY LLP has provided services to Patriot and submitted a proposal to Patriot to provide services in the future. These services are unrelated to EY LLP's Services. The nephew of the same Assistant General Counsel of EY LLP began work at Patriot on January 9, 2012 as a Ground Control Engineer.

22. To the best of my knowledge, information, and belief, neither the undersigned nor the EY LLP professionals expected to assist the Debtors in these chapter 11 cases are connected to the United States Bankruptcy Court for the Southern District of New York, the United States Trustee for Region 2, or Assistant United States Trustee for Region 2 assigned to these chapter 11 cases.

23. EY LLP continues to conduct research for possible connections with respect to 3 parties in interest: Blue Cross Blue Shield, Steptoe & Johnson and West Virginia American Water Co.. To the extent that EY LLP's research reveals material client connections with these parties, EY LLP will submit a further disclosure declaration.

24. The Ernst & Young global network encompasses independent professional services practices conducted by separate legal entities throughout the world. Such legal entities are members of Ernst & Young Global Limited ("**EYGL**"), a company incorporated under the laws of England and Wales and limited by guarantee, with no shareholders and no capital. The member firms of EYGL have agreed to operate certain of their professional practices in accordance with agreed standards, but remain separate legal entities. EY LLP is a member of EYGL.

25. On November 30, 2004, Ernst & Young U.S. LLP (an affiliate of EY LLP) transferred all of its equity ownership in Ernst & Young Corporate Finance LLC ("**EYCF**") to Giuliani Partners LLC (the "**Transaction**"). As a result, EYCF became a subsidiary of Giuliani Partners LLC and changed its name to Giuliani Capital Advisors LLC ("**GCA**"). As a consequence of the Transaction, Ernst & Young U.S. LLP no longer has any direct or indirect ownership interest in EYCF, nor in GCA. Given the absence of an ownership relationship, EY LLP believes that it is not necessary, in performing connections checks for work performed by

EY LLP on and after December 1, 2004, to review connections that either EYCF or GCA may have or have had, nor to search either of those entities' databases for like information, and EY LLP has in fact not undertaken such research.

26. EY LLP is not using subcontractors in connection with the Services.

27. To the best of my knowledge, information and belief, prior to the Petition Date, EY LLP performed certain professional services for the Debtors, including audit and tax services. At the Debtors' request, EY LLP began providing Services postpetition as of the Petition Date. Therefore, the Debtors and EY LLP request approval of the Application be granted as of the Petition Date.

28. EY LLP is not owed any amounts for prepetition services for the Debtors. During the 90 days prior to the Petition Date, EY LLP received \$270,016 from the Debtors for services rendered.

29. EY LLP ordinarily updates its connections checks approximately every six months.

30. Despite the efforts described above to identify and disclose connections with parties-in-interest in these chapter 11 cases, because the Debtors are a large enterprise with numerous creditors and other relationships, EY LLP is unable to state with certainty that every client representation or other connection of EY LLP with parties-in-interest in these chapter 11 cases has been disclosed herein. In this regard, if EY LLP discovers additional information that requires disclosure, EY LLP will file supplemental disclosures with the Court.

31. EY LLP and the professionals that it employs are qualified to represent the Debtors in the matters for which EY LLP is proposed to be employed.

32. Except as otherwise permitted by the Bankruptcy Code, EY LLP has not shared or agreed to share any of its compensation in connection with this matter with any other person.

33. To the best of my knowledge, information and belief formed after reasonable inquiry, EY LLP does not hold nor represent any interest materially adverse to the Debtors in the matters for which EY LLP is proposed to be retained. The proposed employment of EY LLP is not prohibited by or improper under Bankruptcy Rule 5002. Accordingly, I believe that EY LLP is eligible for retention by the Debtors under the Bankruptcy Code.

34. EY LLP intends to apply to the Court for payment of compensation and reimbursement of expenses in accordance with applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, the Local Rules, the Standing Order M-412 Establishing Procedures For Monthly Compensation and Reimbursement of Expenses of Professionals (Dec. 21, 2010), the Amended Guidelines for Fees and Disbursements for Professionals in Southern District of New York Bankruptcy Cases M-389 (Nov. 25, 2009), the U.S. Trustee Guidelines and the Engagement Letters, and pursuant to any additional orders or procedures that may be established by the Court in these chapter 11 cases.

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

Executed on July 19, 2012


Michael W. Hickenbotham

EXHIBIT 1-A

Audit Engagement Letter



Ernst & Young LLP
The Plaza in Clayton
Suite 1300
190 Carondelet Plaza
St. Louis, Missouri 63105-3434
Tel: 314 290 1000
www.ey.com

July 10, 2012

Patriot Coal Corporation
12312 Olive Boulevard, Suite 400
St. Louis, Missouri 63141
Attn: Mr. Mark N. Schroeder
Senior Vice President & Chief Financial Officer
and
Mr. Robert O. Viets
Chairman of the Audit Committee

Gentlemen:

1. This agreement (together with all attachments hereto, the "Agreement") confirms the engagement of Ernst & Young LLP ("we" or "EY") by the Audit Committee of Patriot Coal Corporation (the "Company") to audit the Company's financial statements and its internal control over financial reporting (the "integrated audit") subsequent to the Company filing a petition under Chapter 11 ("Chapter 11") of the United States Bankruptcy Code ("Bankruptcy Code") with the United States Bankruptcy Court for the Southern District of New York ("Bankruptcy Court"). As part of the integrated audit, we will audit and report on the consolidated financial statements of the Company for the year ended December 31, 2012 (the "audit of the financial statements"). We also will audit and report on the effectiveness of the Company's internal control over financial reporting as of December 31, 2012 (the "audit of internal control"). In addition, we will review the Company's unaudited interim financial information before the Company files its Form 10-Q and we will issue a report to the Audit Committee that provides negative assurance as to conformity with U.S. generally accepted accounting principles. All of the services described in this paragraph are referred to collectively as either the "Audit Services" or the "audit." Our performance of Audit Services is contingent upon the Bankruptcy Court's approval of our retention in accordance with the terms and conditions that are set forth in this Agreement.

Integrated audit responsibilities and limitations

2. The objective of the audit of the financial statements is to express an opinion on whether the consolidated financial statements are presented fairly, in all material respects, in conformity with U.S. generally accepted accounting principles. The objective of the audit of internal control is to express an opinion on the effectiveness of internal control over financial reporting. Should



conditions not now anticipated preclude us from completing either the audit of the financial statements or the audit of internal control and issuing our reports thereon, we will advise the Audit Committee, management and Bankruptcy Court promptly and take such action as we deem appropriate.

3. We will conduct the integrated audit in accordance with the standards of the Public Company Accounting Oversight Board (the "PCAOB"). Those standards require that we obtain reasonable, rather than absolute, assurance that the consolidated financial statements are free of material misstatement, whether caused by error or fraud, and that the Company maintained, in all material respects, effective internal control over financial reporting as of the date specified in management's assessment. As management is aware, there are inherent limitations in the audit process, including, for example, selective testing and the possibility that collusion or forgery may preclude the detection of material error, fraud or illegal acts. Accordingly, there is some risk that a material misstatement of the financial statements or a material weakness in internal control over financial reporting would remain undetected. Also, an audit of the financial statements is not designed to detect error or fraud that is immaterial to the consolidated financial statements. Similarly, an audit of internal control is not designed to detect deficiencies in internal control over financial reporting that, individually or in combination, are less severe than a material weakness.
4. We will consider the Company's internal control over financial reporting in determining the nature, timing and extent of our audit procedures for the purpose of expressing our opinion on: (1) the consolidated financial statements and (2) the effectiveness of internal control over financial reporting. Our report on internal control relates to the effectiveness of the Company's internal control over financial reporting as a whole, and not to the effectiveness of each individual internal control component.
5. In accordance with professional standards, we will communicate certain matters related to the conduct and results of the audit to the Audit Committee.
6. In accordance with the rules of the Securities and Exchange Commission (the "SEC") implementing the requirements of Section 204 of the Sarbanes-Oxley Act of 2002, we will communicate to the Audit Committee all critical accounting policies and practices used by the Company, and all alternative treatments within generally accepted accounting principles for policies and practices related to material items that have been discussed with management, including ramifications of the use of such alternative disclosures and treatments along with the treatment preferred by us. We also will advise the Audit Committee of other material written communications between management and us.
7. In accordance with the rules and regulations of the SEC, the Company is required to submit an interactive data exhibit that presents its consolidated financial statements in eXtensible Business Reporting Language (XBRL) format. Management is responsible for the completeness, accuracy



and consistency of its XBRL data. The standards of the PCAOB and the rules and regulations of the SEC do not require that we perform, and we will not perform, procedures related to the interactive data exhibits to the Company's reports or registration statements, or to the related viewable interactive data, as part of the Audit Services. Unlike other information in documents containing the audited financial statements (e.g., Management's Discussion and Analysis), we are not required to read the XBRL submission for material inconsistencies with the information or manner of its presentation appearing in the financial statements as part of our audit procedures. Any services related to the Company's interactive data would be subject to a separate engagement pre-approved by the Audit Committee as described in paragraph 8, and subject to Bankruptcy Court approval.

8. We will obtain pre-approval from the Audit Committee for any services we are to provide to the Company pursuant to the Audit Committee's pre-approval process, policies, and procedures, in accordance with the standards and rules of the SEC and PCAOB. We also will communicate at least annually with the Audit Committee on independence matters as required by the rules of the PCAOB. We will communicate annually with the Audit Committee and provide a report on certain matters as specified in the Corporate Governance Standards of the New York Stock Exchange. We will inform the Chair of the Audit Committee and management if the Audit Services are selected for inspection by the PCAOB and also will communicate any information of which we become aware as a result of such inspection that has a material effect on the financial statements previously reported on by us or that would result in a modification to an audit report previously issued by us. Upon request, we will provide the Audit Committee and the Company with a copy of any publicly available inspection reports on EY issued by the PCAOB, but we will not provide any confidential inspection reports issued by the PCAOB to EY, the confidentiality of which is provided for in the Sarbanes-Oxley Act of 2002 and the PCAOB's inspection rules.
9. If we determine that there is evidence that fraud or possible illegal acts may have occurred, we will bring such matters to the attention of the appropriate level of management. If we become aware of fraud involving senior management or fraud (whether committed by senior management or other employees) that causes a material misstatement of the consolidated financial statements, we will report this matter directly to the Audit Committee. We will determine that the Audit Committee and the appropriate members of management are adequately informed of illegal acts that come to our attention unless they are clearly inconsequential. We also will inform the Audit Committee and appropriate members of management of significant audit adjustments noted during our audit procedures.
10. We will communicate in writing to management and the Audit Committee all material weaknesses in internal control over financial reporting identified during the integrated audit. The identification of a material weakness that remains uncorrected as of the date of management's assessment will cause us to express an adverse opinion on the effectiveness of the Company's internal control over financial reporting. We will consider whether there are any deficiencies, or combinations of



deficiencies, that have been identified during the audit that are significant deficiencies and will communicate such deficiencies, in writing, to the Audit Committee. We also will communicate to management in writing all internal control deficiencies (that is, those deficiencies in internal control over financial reporting that are of a lesser magnitude than material weaknesses) identified during the integrated audit and not previously communicated by us or by others, and will inform the Audit Committee when such a communication has been made. In addition, if we conclude that the Audit Committee's oversight of the Company's external financial reporting and internal control over financial reporting is ineffective, we will communicate our conclusion in writing to the Board of Directors.

Reviews of unaudited interim financial information

11. Our review of the Company's unaudited interim financial information will be performed in accordance with applicable PCAOB auditing standards.
12. A review of interim financial information consists principally of performing analytical procedures and making inquiries of management responsible for financial and accounting matters. It involves a review of the condensed financial information included in the filing on Form 10-Q and does not include any earlier earnings releases or other such communications. A review is substantially less in scope than an audit conducted in accordance with the standards of the PCAOB, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we will not express an opinion on the interim financial information.
13. A review includes obtaining sufficient knowledge of the Company's business and its internal control as it relates to the preparation of both annual and interim financial information to: identify the types of potential material misstatements in the interim financial information and consider the likelihood of their occurrence; and select the inquiries and analytical procedures that will provide us with a basis for communicating whether we are aware of any material modifications that should be made to the interim financial information for it to conform with U.S. generally accepted accounting principles.
14. A review is not designed to provide assurance on internal control or to identify significant deficiencies. However, we will communicate to the Audit Committee any significant deficiencies noted during our review procedures.
15. If, during our review procedures, we determine that there is evidence that fraud or possible illegal acts may have occurred, we will bring such matters to the attention of the appropriate level of management. If we become aware of fraud involving senior management or fraud (whether committed by senior management or other employees) that causes a material misstatement of the interim financial information, we will report this matter directly to the Audit Committee. We will determine that the Audit Committee and the appropriate members of management are adequately



informed of illegal acts that come to our attention unless they are clearly inconsequential. We also will inform the Audit Committee and appropriate members of management of significant uncorrected misstatements noted during our review procedures.

Management's responsibilities and representations

16. The consolidated financial statements, unaudited interim financial information, and management's assessment of the effectiveness of internal control over financial reporting are the responsibility of management. Management is responsible for establishing and maintaining effective internal control over financial reporting relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, for properly recording transactions in the accounting records, for safeguarding assets, and for the overall fair presentation of the consolidated financial statements and unaudited interim financial information in conformity with U.S. generally accepted accounting principles. Management also is responsible for the identification of, and for the Company's compliance with, laws and regulations applicable to its activities.
17. Management is responsible for adjusting the consolidated financial statements and unaudited interim financial information to correct material misstatements and for affirming to us in its representation letter that the effects of any uncorrected misstatements accumulated by us during the applicable Audit Services and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the consolidated financial statements and unaudited interim financial information as a whole.
18. Management is responsible for apprising us of all allegations involving financial improprieties received by management or the Audit Committee (regardless of the source or form and including, without limitation, allegations by "whistle-blowers"), and for providing us full access to these allegations and any internal investigations of them, on a timely basis. Allegations of financial improprieties include allegations of manipulation of financial results by management or employees, misappropriation of assets by management or employees, intentional circumvention of internal controls, inappropriate influence on related party transactions by related parties, intentionally misleading EY, or other allegations of illegal acts or fraud that could result in a misstatement of the financial statements or otherwise affect the financial reporting of the Company. If the Company limits the information otherwise available to us under this paragraph (based on the Company's claims of attorney/client privilege, work product doctrine or otherwise), the Company will immediately inform us of the fact that certain information is being withheld from us. Any such withholding of information could be considered a restriction on the scope of the audit and may prevent us from opining on the Company's financial statements or internal control over financial reporting; alter the form of report we may issue on such financial statements or internal control over financial reporting; prevent us from consenting to the inclusion of previously issued auditor's reports in future Company filings; or otherwise affect our ability to



continue as the Company's independent registered public accounting firm. We will disclose any such withholding of information to the Audit Committee.

19. Management is responsible for performing an evaluation and making an assessment of the effectiveness of the Company's internal control over financial reporting as of the end of the Company's most recent fiscal year, based on a suitable, recognized control framework. In connection with its assessment of internal control over financial reporting, management will affirm to us in its representation letter that it has disclosed to us all deficiencies in the design or operation of internal control over financial reporting identified as part of its evaluation, including separately disclosing to us all such deficiencies that management believes to be significant deficiencies or material weaknesses in internal control over financial reporting.
20. Management is responsible for providing us access to: all information of which management is aware that is relevant to the Audit Services, such as records, documentation and other matters to complete the Audit Services on a timely basis; additional information that we may request from management for purposes of the audit; and unrestricted access to persons within the Company from whom we determine it necessary to obtain audit evidence. Management's failure to do so may cause us to delay our report, modify our procedures, or even terminate the Audit Services.
21. As required by professional standards, we will make specific inquiries of management about the representations contained in the consolidated financial statements and unaudited interim financial information and management's assessment of the effectiveness of internal control over financial reporting. Professional standards also require that, at the conclusion of the applicable Audit Services, we obtain representation letters from certain members of management about these matters and to represent that management has fulfilled its responsibilities as set out in this Agreement, including that all material transactions have been recorded in the accounting records and are reflected in the financial statements and unaudited interim financial information. The responses to those inquiries, the written representations, and the results of our procedures comprise evidence on which we will rely in completing the applicable Audit Services.
22. Management shall make appropriate inquiries of the Company's officers, directors and substantial stockholders to determine whether any business relationships exist between any such officer, director or substantial stockholder (or any entity for or of which such an officer, director or substantial stockholder acts in a similar capacity) and EY or any other member firm of the global Ernst & Young organization (any of which, an "EY Firm"), other than one pursuant to which an EY Firm performs professional services. For this purpose, a "substantial stockholder" is a person or entity (excluding mutual funds) that owns a beneficial interest of ten percent or more of the Company.
23. Management shall discuss any independence matters with EY that, in management's judgment, could bear upon EY's independence.



24. The Staff of the SEC has publicly stated that auditors and public companies share responsibility for compliance with auditor independence rules. Accordingly, the Company shall provide to EY information about the entities over which the Company has direct or indirect control or significant influence or which otherwise qualify as the “audit client” under Regulation S-X. The Company understands that EY will use this information to assess its independence in this engagement.
25. The Company shall be responsible for its personnel’s compliance with the Company’s obligations under this Agreement.

Fees and billings

26. You shall pay fees for the Audit Services, which fees are based on the time that our professionals spend performing them, as adjusted annually on July 1 while the Audit Services under this Agreement are being performed. The rates, by level of audit professional, are as follows:

<u>Title</u>	<u>Rate Per</u>
	<u>Hour</u>
National Partner/Principal	\$ 600
Partner/Principal/Executive Director	\$ 525
Senior Manager	\$ 430
Manager	\$ 375
Senior	\$ 275
Staff	\$ 190

Our fees are exclusive of taxes or similar charges, as well as customs, duties or tariffs imposed in respect of the Audit Services, all of which the Company shall pay (other than taxes imposed on our income generally).

In addition, the Company shall reimburse us for direct expenses incurred in connection with the performance of the Audit Services. Direct expenses include reasonable and customary out-of-pocket expenses such as travel, meals, accommodations and other expenses specifically related to this engagement. EY may receive rebates in connection with certain purchases, which are used to reduce charges that EY would otherwise pass on to its clients.

27. We will submit an itemized and detailed billing statement, and we will request payment of our fees and expenses, in accordance with the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), the Local Rules for the United States Bankruptcy Court for the Southern District of New York (“Local Rules”) and any relevant administrative orders. We will submit our invoices as the work progresses and payment of them will be made upon receipt, or as quickly as the Bankruptcy Code, the Bankruptcy Rules, Local Rules and any relevant administrative orders allow. We acknowledges that payment of our fees and expenses hereunder is subject to (i) the jurisdiction and approval of the Bankruptcy Court under Sections 330 and 331



of the Bankruptcy Code, any order of the Bankruptcy Court approving the retention of us and the U.S. Trustee Guidelines, (ii) any applicable fee and expense guidelines and/or orders and (iii) any requirements governing interim and final fee applications.

28. Our estimated schedule of performance is based upon, among other things, our preliminary review of the Company's records and the representations Company personnel have made to us, the Company's documentation of internal control over financial reporting, the procedures the Company performs to support management's assessment of the effectiveness of internal control over financial reporting and the results of our audit procedures. Our estimates also are dependent upon the Company's personnel providing a reasonable level of assistance during the integrated audit. Should our assumptions with respect to these matters be incorrect or should the documentation of internal control, results of our procedures, condition of records, degree of cooperation, extent of procedures performed by the Company to support management's assessment or other matters beyond our reasonable control require additional commitments by us beyond those upon which our estimates are based, we may adjust planned completion dates. Fees for any special audit-related projects, such as proposed business combinations or research and/or consultation on special business or financial issues, will be billed separately from the fees referred to above, and will be the subject of other written agreements which shall be subject to Bankruptcy Court approval.
29. If we are requested or authorized by the Company or are required by government regulation, subpoena or other legal process to produce our documents or our personnel as witnesses with respect to our engagements for the Company, the Company will, so long as we are not a party to the proceeding in which the information is sought, and the proceeding is not related to or arising out of the gross negligence, bad faith, willful misconduct or fraud of EY, as determined by a Court of competent jurisdiction, reimburse us for our professional time and expenses, as well as the fees and expenses of our counsel, incurred in responding to such requests, provided however, that in no event shall the Company be required to pay fees and expenses for more than one law firm for EY in connection with any such proceeding.

Other matters

30. From time to time, and depending on the circumstances, subject to Bankruptcy Court approval and with prior approval by the Company, (1) we may subcontract portions of the Audit Services to other EY Firms, who may deal with the Company or its affiliates directly, although EY alone will remain responsible to you for the Audit Services, and (2) personnel (including non-certified public accountants) from an affiliate of EY or another EY Firm or any of their respective affiliates, or from independent third-party service providers (including independent contractors), may participate in providing the Audit Services. In addition, subject to Bankruptcy Court approval, third-party service providers may perform services for EY in connection with the Audit Services. Unless prohibited by applicable law, we may disclose Company Information to other EY Firms



and their personnel who may collect, use, transfer, store or otherwise process (collectively, "Process") it to facilitate performance of the Audit Services, to comply with regulatory requirements, or for quality, risk management or financial accounting purposes. Either EY or the Company may use electronic media to correspond or transmit information relating to the Audit Services, and such use will not, in itself, constitute a breach of any confidentiality obligations. Unless approved by the Company, in no event will the rates charged by such providers be greater than the rates listed for EY.

31. The Company shall not, during the term of this Agreement and for 12 months following its termination for any reason, without the prior written consent of EY, solicit for employment or a position on its Board of Directors, or hire or appoint to its Board of Directors, any current or former partner, principal, or professional employee of EY, any affiliate thereof, any other EY Firm or any of their respective affiliates if any such professional either: (i) performed any audit, review, attest, or related service for or relating to the Company at any time (a) since the date on which the Company filed its most recent periodic annual report with the SEC (or, since the beginning of the most recent fiscal year to be covered by the Company's first such report, if applicable) or (b) in the 12 months ended on that date; or (ii) influences EY's operations or financial policies or has any capital balances or any other continuing financial arrangement with EY.
32. EY shall remain fully responsible for the Audit Services and for all of its other responsibilities, covenants and obligations under this Agreement, notwithstanding that we may subcontract portions of the Audit Services to other EY Firms or that other EY Firms may participate in the provision of the Audit Services. The Company may not make a claim or bring proceedings relating to the Audit Services or otherwise under this Agreement against any other EY Firm and EY shall not contest its responsibility for the Audit Services on the basis that any of them were performed by another EY Firm. The Company shall make any claim or bring proceedings only against EY. This paragraph is intended to benefit the other EY Firms, which shall be entitled to enforce it. Each EY Firm is a separate legal entity.
33. We may Process Company information that can be linked to specific individuals ("Personal Data"). We may Process Personal Data in various jurisdictions in which EY and the other EY Firms (which are listed at www.ey.com) operate to facilitate performance of the Audit Services, to comply with regulatory requirements, to check conflicts or for quality, risk management or financial accounting purposes. We will Process the Personal Data in accordance with applicable law and professional regulations, including, where applicable, the European Union Safe Harbor program of the U.S. Department of Commerce, in which EY participates. We will require any service provider that Processes Personal Data on our behalf to adhere to such requirements. If any Company information is protected health information under the Health Insurance Portability and Accountability Act, as amended, this Agreement is deemed to incorporate all of the terms otherwise required to be included in a business associate contract relating to such information. The Company warrants that it has the authority to provide the Personal Data to EY in connection



with the performance of the Audit Services and that the Personal Data provided to us has been processed in accordance with applicable law.

34. The Agreement sets forth the entire understanding of the parties with regard to the subject matter hereof, and supersedes and cancels any prior communications, understandings and agreement between the parties with regard to the subject matter hereof, provided that any services provided under a pre-petition engagement letter shall be governed by such prepetition engagement letter. The Agreement cannot be modified or changed nor can any of its provisions be waived, except in writing signed by all parties. Any Schedule or Annex hereto is incorporated by reference into this Agreement and such Agreement, Schedules or Annexes shall constitute a single, unitary and integrated agreement. For the avoidance of doubt, as of the date hereof, this Agreement is intended to be approved by the Bankruptcy Court as of the Petition Date for the provision of services as contemplated herein.
35. By your signature below, you confirm that the Company, through its Board of Directors, has authorized the Audit Committee to enter into this Agreement on the Company's behalf and that you have been expressly authorized by the Audit Committee to execute this Agreement on behalf of, and to bind, the Company. In addition, you confirm that management agrees to, acknowledges, and understands its responsibilities as outlined in "Management's responsibilities and representations." Either EY or the Company may execute this Agreement (and any supplements or modifications hereto) by electronic means, and each of EY and the Company may sign a different copy of the same document.
36. EY retains ownership in the workpapers compiled in connection with the performance of the Audit Services.
37. EY agrees that it may not assign this Agreement or any portion of its duties hereunder without the prior written consent of the Company, where such consent may be withheld in the Company's discretion.
38. Michael Hickenbotham will be the Audit Coordinating Partner responsible for the provision of our audit services. Sarah Miller, Engagement Partner, and Megan Dolan, Manager, will work closely with management in performing all required Audit Services. If one or more of these individuals ceases to provide audit services to the Company pursuant to this Agreement, EY will so advise the Company and, if that professional is replaced, provide the Company with the name of that professional's replacement. Other partners and staff, not identified herein, may be utilized as required to conduct our work in an efficient manner.
39. Any controversy or claim with respect to, in connection with, arising out of, or in any way related to this Agreement or the services provided hereunder (including any such matter involving any



parent, subsidiary, affiliate, successor in interest or agent of Company or its subsidiaries or of EY) shall be brought in the Bankruptcy Court or the applicable district court (if such district court withdraws the reference) and the parties to this Agreement, and any and all successors and assigns thereof, consent to the jurisdiction and venue of such court as the sole and exclusive forum (unless such court does not have jurisdiction and venue of such claims or controversies) for the resolution of such claims, causes of action or lawsuits. The parties to this Agreement, and any and all successors and assigns thereof, hereby waive trial by jury, such waiver being informed and freely made. If the Bankruptcy Court, or the district court upon withdrawal of the reference, does not have or retain jurisdiction over the foregoing claims or controversies, the parties to this Agreement and any and all successors and assigns thereof, agree to submit first to nonbinding mediation; and, if mediation is not successful, then to binding arbitration, in accordance with the dispute resolution procedures as set forth in the attachment to this Agreement, which is incorporated herein by reference. Judgment on any arbitration award may be entered in any court having proper jurisdiction. The foregoing is binding upon Company, EY and any all successors and assigns thereof.

40. If any portion of this Agreement is held to be void, invalid, or otherwise unenforceable, in whole or part, the remaining portions of this Agreement shall remain in effect. This Agreement applies to all Audit Services (as defined in paragraph 1), including any such services performed or begun before the date of this Agreement.
41. To the extent that EY agrees to perform Audit Services for a subsequent fiscal year and subject to Bankruptcy Court approval, the terms and conditions set forth in this Agreement shall apply to the performance of such Audit Services, except as specifically modified, amended or supplemented in writing by the parties. Changes in the scope of the Audit Services, and estimated fees for such services in subsequent fiscal years will be communicated in supplemental agreements. This Agreement may be terminated at any time by the Company or EY but in any event this Agreement will expire upon the effective date of the Company's confirmed plan of reorganization, or liquidation of the Company's assets, under Chapter 11 or 7 of the Bankruptcy Code, or otherwise. Upon any termination of the Audit Services or this Agreement, the Company shall pay EY for all work-in-progress, Audit Services already performed and expenses incurred by us up to and including the effective date of such termination. The provisions of this Agreement that give either of us rights or obligations beyond its termination including, without limitation, paragraph 36 shall continue indefinitely following the termination of this Agreement and shall survive completion of the Company's bankruptcy whether through a confirmed plan of reorganization under Chapter 11, liquidation of the Company's assets under Chapter 7 of the Bankruptcy Code, or otherwise.
42. By agreement to the provision of the Audit Services, we are not providing a guarantee to you that our performance of those services pursuant to the terms and conditions set forth in this Agreement will guarantee your successful reorganization under Chapter 11.



EY appreciates the opportunity to be of assistance to the Company. If this Agreement accurately reflects the terms on which the Company has agreed to engage EY, please sign below on behalf of the Company and return it to Michael Hickenbotham, 190 Carondelet Plaza, Suite 1300, St. Louis, Missouri, 63105.

Very truly yours,

Ernst & Young LLP

Agreed and accepted by:

Patriot Coal Corporation

By: *Mark N. Schroeder*
Mark N. Schroeder
Senior Vice President & Chief Financial Officer

Robert O. Viets
Robert O. Viets
Chairman of the Audit Committee

Dispute resolution procedures

Mediation

A party shall submit a dispute to mediation by written notice to the other party or parties. The mediator shall be selected by the parties. If the parties cannot agree on a mediator, the International Institute for Conflict Prevention and Resolution (“CPR”) shall designate a mediator at the request of a party. Any mediator must be acceptable to all parties and must confirm in writing that he or she is not, and will not become during the term of the mediation, an employee, partner, executive officer, director, or substantial equity owner of any Ernst & Young audit client.

The mediator shall conduct the mediation as he/she determines, with the agreement of the parties. The parties shall discuss their differences in good faith and attempt, with the mediator’s assistance, to reach an amicable resolution of the dispute. The mediation shall be treated as a settlement discussion and shall therefore be confidential. The mediator may not testify for either party in any later proceeding relating to the dispute. The mediation proceedings shall not be recorded or transcribed.

Each party shall bear its own costs in the mediation. The parties shall share equally the fees and expenses of the mediator.

If the parties have not resolved a dispute within 90 days after written notice beginning mediation (or a longer period, if the parties agree to extend the mediation), the mediation shall terminate and the dispute shall be settled by arbitration. In addition, if a party initiates litigation, arbitration, or other binding dispute resolution process without initiating mediation, or before the mediation process has terminated, an opposing party may deem the mediation requirement to have been waived and may proceed with arbitration.

Arbitration

The arbitration will be conducted in accordance with the procedures in this document and the CPR Rules for Non-Administered Arbitration (“Rules”) as in effect on the date of the Agreement, or such other rules and procedures as the parties may agree. In the event of a conflict, the provisions of this document will control.

The arbitration will be conducted before a panel of three arbitrators, to be selected in accordance with the screened selection process provided in the Rules. Any issue concerning the extent to which any dispute is subject to arbitration, or concerning the applicability, interpretation, or enforceability of any of these procedures, shall be governed by the Federal Arbitration Act and resolved by the arbitrators. No potential arbitrator may be appointed unless he or she has agreed in writing to these procedures and has confirmed in writing that he or she is not, and will not become during the term of the arbitration, an employee, partner, executive officer, director, or substantial equity owner of any Ernst & Young audit client.

The arbitration panel shall have no power to award non-monetary or equitable relief of any sort or to make an award or impose a remedy that (i) is inconsistent with the agreement to which these procedures are attached or any other agreement relevant to the dispute, or (ii) could not be made or

imposed by a court deciding the matter in the same jurisdiction. In deciding the dispute, the arbitration panel shall apply the limitations period that would be applied by a court deciding the matter in the same jurisdiction, and shall have no power to decide the dispute in any manner not consistent with such limitations period.

Discovery shall be permitted in connection with the arbitration only to the extent, if any, expressly authorized by the arbitration panel upon a showing of substantial need by the party seeking discovery.

All aspects of the arbitration shall be treated as confidential. The parties and the arbitration panel may disclose the existence, content or results of the arbitration only in accordance with the Rules or applicable professional standards. Before making any such disclosure, a party shall give written notice to all other parties and shall afford them a reasonable opportunity to protect their interests, except to the extent such disclosure is necessary to comply with applicable law, regulatory requirements or professional standards.

The result of the arbitration shall be binding on the parties, and judgment on the arbitration award may be entered in any court having jurisdiction.

EXHIBIT 1-B

Carve-Out Audit Engagement Letter



Ernst & Young LLP
The Plaza in Clayton
Suite 1300
190 Carondelet Plaza
St. Louis, MO 63105-3434
Tel: +1 314 290 1000
Fax: +1 314 290 1882
www.ey.com

July 10, 2012

Patriot Coal Corporation
12312 Olive Boulevard, Suite 400
St. Louis, Missouri 63141
Attn: Mr. Mark N. Schroeder
Senior Vice President & Chief Financial Officer

Mr. Schroeder:

1. This agreement (together with all attachments hereto, the "Agreement") confirms the engagement of Ernst & Young LLP ("we" or "EY") to audit and report on the financial statements of Patriot Coal Corporation's (the "Company") Illinois Basin operating segment as of December 31, 2008, 2009, 2010, and 2011, and for the years ended, December 31, 2009, 2010, and 2011 subsequent to the Company filing a petition under Chapter 11 ("Chapter 11") of the United States Bankruptcy Code ("Bankruptcy Code") with the United States Bankruptcy Court for the Southern District of New York ("Bankruptcy Court"). All of the services described in this paragraph are referred to collectively as the "Audit Services," "Services," or the "audit." Our performance of Audit Services is contingent upon the Bankruptcy Court's approval of our retention in accordance with the terms and conditions that are set forth in this Agreement.

Audit responsibilities and limitations

2. The objective of our audit is to express an opinion on whether the financial statements are presented fairly, in all material respects, in accordance with U.S. generally accepted accounting principles. Should conditions not now anticipated preclude us from completing our audit and issuing a report, we will advise you, the Audit Committee, and Bankruptcy Court promptly and take such action as we deem appropriate.
3. We will conduct the audit in accordance with auditing standards generally accepted in the United States, as established by the American Institute of Certified Public Accountants (the "AICPA"). Those standards require that we obtain reasonable, rather than absolute, assurance that the financial statements are free of material misstatement whether caused by error or fraud. As management is aware, there are inherent limitations in the audit process, including, for example, selective testing and the possibility that collusion or forgery may preclude the detection of material error, fraud, or illegal acts. Accordingly, because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk exists that some material misstatements may not be detected, even though the audit is



properly planned and performed in accordance with auditing standards generally accepted in the United States, as established by the AICPA. Also, an audit is not designed to detect error or fraud that is immaterial to the financial statements.

4. As part of our audit, we will consider, solely for the purpose of planning our audit and determining the nature, timing, and extent of our audit procedures, the Company's internal control. Our consideration of internal control for the audit of the financial statements will not be sufficient to enable us to express an opinion on the effectiveness of internal control or to identify all significant deficiencies and material weaknesses.
5. In accordance with AICPA auditing standards, we will communicate certain matters related to the conduct and results of the audit to the Audit Committee.
6. If we determine that there is evidence that fraud or possible illegal acts may have occurred, we will bring such matters to the attention of the appropriate level of management. If we become aware of fraud involving senior management or fraud (whether committed by senior management or other employees) that causes a material misstatement of the financial statements, we will report this matter directly to the Audit Committee. We will determine that the Audit Committee and appropriate members of management are adequately informed of illegal acts that come to our attention unless they are clearly inconsequential. We also will inform the Audit Committee and appropriate members of management of significant audit adjustments noted during our audit procedures.
7. We will communicate in writing to management and to the Audit Committee all significant deficiencies and material weaknesses identified during our audit, as well as any significant deficiencies and material weaknesses communicated to management and to the Audit Committee in previous audits that have not yet been remediated.
8. We also may communicate other opportunities we observe for economies in or improved controls over the Company's operations.

Management's responsibilities and representations

9. The financial statements are the responsibility of management. Management also is responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, for properly recording transactions in the accounting records, for safeguarding assets, and for the overall fair presentation of the financial statements, in accordance with U.S. generally accepted accounting principles. Management also is responsible for the identification of, and for the Company's compliance with, laws and regulations applicable to its activities.



10. Management is responsible for adjusting the financial statements to correct material misstatements. Management also will affirm to us in its representation letter certain representations made to us during the performance of the Audit Services, including that the effects of any uncorrected misstatements accumulated by us during the current audit and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.
11. Management is responsible for apprising us of all allegations involving financial improprieties received by management or the Audit Committee (regardless of the source or form and including, without limitation, allegations by “whistle-blowers”), and providing us full access to these allegations and any internal investigations of them, on a timely basis. Allegations of financial improprieties include allegations of manipulation of financial results by management or employees, misappropriation of assets by management or employees, intentional circumvention of internal controls, inappropriate influence on related party transactions by related parties, intentionally misleading EY, or other allegations of illegal acts or fraud that could result in a misstatement of the financial statements or otherwise affect the financial reporting of the Company. If the Company limits the information otherwise available to us under this paragraph (based on the Company’s claims of attorney/client privilege, work product doctrine or otherwise), the Company will immediately inform us of the fact that certain information is being withheld from us. Any such withholding of information could be considered a restriction on the scope of the audit and may prevent us from opining on the Company’s financial statements; alter the form of report we may issue on such financial statements; or otherwise affect our ability to continue as the Company’s independent auditors. We will disclose any such withholding of information to the Audit Committee.
12. Management is responsible for providing us access to: all information of which management is aware that is relevant to the Audit Services, such as records, documentation and other matters to complete the Audit Services on a timely basis; additional information that we may request from management for purposes of the audit; and unrestricted access to persons within the Company from whom we determine it necessary to obtain audit evidence. Management’s failure to do so may cause us to delay our report, modify our procedures, or even terminate the Audit Services.
13. As required by AICPA auditing standards, we will make specific inquiries of management about the representations contained in the financial statements. AICPA auditing standards also require that, at the conclusion of the audit, we obtain representation letters from certain members of management about these matters and to represent that management has fulfilled its responsibilities as set out in this Agreement, including that all material transactions have been recorded in the accounting records and are reflected in the financial statements. The responses to those inquiries, the written representations, and the results of our procedures comprise evidence on which we will rely in forming an opinion on the financial statements.



14. Management shall make appropriate inquiries to determine whether the Company has a capital lease, material cooperative arrangement, or other business relationship with EY or any other member firm of the global Ernst & Young organization (any of which, an "EY Firm") other than one pursuant to which an EY Firm performs professional services.
15. Management shall discuss any independence matters with EY that, in management's judgment, could bear upon EY's independence.
16. The Company shall be responsible for its personnel's compliance with the Company's obligations under this Agreement.

Fees and billings

17. We estimate that our fees for the Audit Services will be \$275,000. However, our actual fees may exceed this amount based on changes to the business (e.g., nature of the business or change in business entities) or out-of-scope work. You shall pay fees for the Audit Services, which fees are based on the time that our professionals spend performing them, as adjusted annually on July 1 while the Audit Services under this Agreement are being performed. The rates, by level of audit professional, are as follows:

Title	Rate Per Hour
National Partner/Principal	\$ 600
Partner/Principal/Executive Director	\$ 525
Senior Manager	\$ 430
Manager	\$ 375
Senior	\$ 275
Staff	\$ 190

Our fees are exclusive of taxes or similar charges, as well as customs, duties or tariffs imposed in respect of the Audit Services, all of which the Company shall pay (other than taxes imposed on our income generally).

In addition, the Company shall reimburse us for direct expenses incurred in connection with the performance of the Audit Services. Direct expenses include reasonable and customary out-of-pocket expenses such as travel, meals, accommodations and other expenses specifically related to this engagement. EY may receive rebates in connection with certain purchases, which are used to reduce charges that EY would otherwise pass on to its clients.

18. We will submit an itemized and detailed billing statement, and we will request payment of our fees and expenses, in accordance with the Bankruptcy Code, the Federal Rules of Bankruptcy



Procedure (the “Bankruptcy Rules”), the Local Rules for the United States Bankruptcy Court for the Southern District of New York (“Local Rules”) and any relevant administrative orders. We will submit our invoices as the work progresses and payment of them will be made upon receipt, or as quickly as the Bankruptcy Code, the Bankruptcy Rules, Local Rules and any relevant administrative orders allow. We acknowledge that payment of our fees and expenses hereunder is subject to (i) the jurisdiction and approval of the Bankruptcy Court under Sections 330 and 331 of the Bankruptcy Code, any order of the Bankruptcy Court approving the retention of us and the U.S. Trustee Guidelines, (ii) any applicable fee and expense guidelines and/or orders and (iii) any requirements governing interim and final fee applications.

19. Our estimated schedule of performance is based upon, among other things, our preliminary review of the Company’s records and the representations Company personnel have made to us and are dependent upon the Company’s personnel providing a reasonable level of assistance. Should our assumptions with respect to these matters be incorrect or should the condition of records, degree of cooperation, or other matters beyond our reasonable control require additional commitments by us beyond those upon which our estimates are based, we may adjust planned completion dates. Fees for any special audit-related projects, such as proposed business combinations or research and/or consultation on special business or financial issues, will be billed separately from the fees referred to above and will be the subject of other written agreements which shall be subject to Bankruptcy Court approval.
20. If we are requested or authorized by the Company or are required by government regulation, subpoena or other legal process to produce our documents or our personnel as witnesses with respect to our engagements for the Company, the Company will, so long as we are not a party to the proceeding in which the information is sought, and the proceeding is not related to or arising out of the gross negligence, bad faith, willful misconduct or fraud of EY, as determined by a Court of competent jurisdiction, reimburse us for our professional time and expenses, as well as the fees and expenses of our counsel, incurred in responding to such requests, provided however, that in no event shall the Company be required to pay fees and expenses for more than one law firm for EY in connection with any such proceeding.

Other matters

21. From time to time, and depending on the circumstances, subject to Bankruptcy Court approval, (1) we may subcontract portions of the Audit Services to other EY Firms, who may deal with the Company or its affiliates directly, although EY alone will remain responsible to you for the Audit Services, and (2) personnel (including non-certified public accountants) from an affiliate of EY or another EY Firm or any of their respective affiliates, or from independent third-party service providers (including independent contractors), may participate in providing the Audit Services. In addition, subject to Bankruptcy Court approval, third-party service providers may perform services for EY in connection with the Audit Services. Unless prohibited by applicable



law, we may disclose Company Information to other EY Firms and their personnel who may collect, use, transfer, store or otherwise process (collectively, "Process") it to facilitate performance of the Audit Services, to comply with regulatory requirements, or for quality, risk management or financial accounting purposes. Either EY or the Company may use electronic media to correspond or transmit information relating to the Audit Services, and such use will not, in itself, constitute a breach of any confidentiality obligations.

22. The Company shall not, during the term of this Agreement and for 12 months following its termination for any reason, without the prior written consent of EY, solicit for employment or a position on its Board of Directors, or hire or appoint to its Board of Directors, any current or former partner, principal, or professional employee of EY, any affiliate thereof, any other EY Firm or any of their respective affiliates if any such professional either: (i) performed any audit, review, attest, or related service for or relating to the Company at any time (a) during the then current fiscal year of the Company up to and including the date of the audit report for that year, or (b) in the 12 months ended on the audit report date for the immediately preceding fiscal year; or (ii) influences EY's operations or financial policies or has any capital balances or any other continuing financial arrangement with EY.
23. EY shall remain fully responsible for the Audit Services and for all of its other responsibilities, covenants and obligations under this Agreement, notwithstanding that we may subcontract portions of the Audit Services to other EY Firms or that other EY Firms may participate in the provision of the Audit Services. The Company may not make a claim or bring proceedings relating to the Audit Services or otherwise under this Agreement against any other EY Firm and EY shall not contest its responsibility for the Audit Services on the basis that any of them were performed by another EY Firm. The Company shall make any claim or bring proceedings only against EY. This paragraph is intended to benefit the other EY Firms, which shall be entitled to enforce it. Each EY Firm is a separate legal entity.
24. We may Process Company information that can be linked to specific individuals ("Personal Data"). We may Process Personal Data in various jurisdictions in which EY and the other EY Firms (which are listed at www.ey.com) operate to facilitate performance of the Audit Services, to comply with regulatory requirements, to check conflicts or for quality, risk management or financial accounting purposes. We will Process the Personal Data in accordance with applicable law and professional regulations, including, where applicable, the European Union Safe Harbor program of the U.S. Department of Commerce, in which EY participates. We will require any service provider that Processes Personal Data on our behalf to adhere to such requirements. If any Company information is protected health information under the Health Insurance Portability and Accountability Act, as amended, this Agreement is deemed to incorporate all of the terms otherwise required to be included in a business associate contract relating to such information. The Company warrants that it has the authority to provide the



Personal Data to EY in connection with the performance of the Audit Services and that the Personal Data provided to us has been Processed in accordance with applicable law.

25. The Agreement sets forth the entire understanding of the parties with regard to the subject matter hereof, and supersedes and cancels any prior communications, understandings and agreement between the parties with regard to the subject matter hereof, provided that any services provided under a pre-petition engagement letter shall be governed by such prepetition engagement letter. The Agreement cannot be modified or changed nor can any of its provisions be waived, except in writing signed by all parties. Any Schedule or Annex hereto is incorporated by reference into this Agreement and such Agreement, Schedules or Annexes shall constitute a single, unitary and integrated agreement. For the avoidance of doubt, as of the date hereof, this Agreement is intended to be approved by the Bankruptcy Court as of the Petition Date for the provision of services as contemplated herein.
26. By your signature below, you confirm that the Company, through its Board of Directors, has expressly authorized you to enter into this Agreement on behalf of, and to bind, the Company. In addition, you confirm that management agrees to, acknowledges, and understands its responsibilities as outlined in "Management's responsibilities and representations." Either EY or the Company may execute this Agreement (and any supplements or modifications hereto) by electronic means, and each of EY and the Company may sign a different copy of the same document.
27. EY retains ownership in the workpapers compiled in connection with the performance of the Audit Services.
28. EY agrees that it may not assign this Agreement or any portion of its duties hereunder without the prior written consent of the Company, where such consent may be withheld in the Company's discretion.
29. Michael Hickenbotham will be the Audit Coordinating Partner responsible for the provision of our audit services. Sarah Miller, Engagement Partner, and Megan Dolan, Manager, will work closely with management in performing all required Audit Services. If one or more of these individuals ceases to provide audit services to the Company pursuant to this Agreement, EY will so advise the Company and, if that professional is replaced, provide the Company with the name of that professional's replacement. Other partners and staff, not identified herein, may be utilized as required to conduct our work in an efficient manner.
30. Any controversy or claim with respect to, in connection with, arising out of, or in any way related to this Agreement or the services provided hereunder (including any such matter involving any parent, subsidiary, affiliate, successor in interest or agent of Company or its



subsidiaries or of EY) shall be brought in the Bankruptcy Court or the applicable district court (if such district court withdraws the reference) and the parties to this Agreement, and any and all successors and assigns thereof, consent to the jurisdiction and venue of such court as the sole and exclusive forum (unless such court does not have jurisdiction and venue of such claims or controversies) for the resolution of such claims, causes of action or lawsuits. The parties to this Agreement, and any and all successors and assigns thereof, hereby waive trial by jury, such waiver being informed and freely made. If the Bankruptcy Court, or the district court upon withdrawal of the reference, does not have or retain jurisdiction over the foregoing claims or controversies, the parties to this Agreement and any and all successors and assigns thereof, agree to submit first to nonbinding mediation; and, if mediation is not successful, then to binding arbitration, in accordance with the dispute resolution procedures as set forth in the attachment to this Agreement, which is incorporated herein by reference. Judgment on any arbitration award may be entered in any court having proper jurisdiction. The foregoing is binding upon Company, EY and any all successors and assigns thereof.

31. If any portion of this Agreement is held to be void, invalid, or otherwise unenforceable, in whole or part, the remaining portions of this Agreement shall remain in effect. This Agreement applies to all Audit Services performed at any time (including before the date of this Agreement).
32. To the extent that EY agrees to perform Audit Services for a subsequent fiscal year and subject to Bankruptcy Court approval, the terms and conditions set forth in this Agreement shall apply to the performance of such Audit Services, except as specifically modified, amended or supplemented in writing by the parties. Changes in the scope of the Audit Services and estimated fees for such services in subsequent fiscal years will be communicated in supplemental letters. This Agreement may be terminated at any time by the Company or EY but in any event this Agreement will expire upon the effective date of the Company's confirmed plan of reorganization, or liquidation of the Company's assets, under Chapter 11 or 7 of the Bankruptcy Code, or otherwise. Upon any termination of the Audit Services or this Agreement, the Company shall pay EY for all work-in-progress, Audit Services already performed and expenses incurred by us up to and including the effective date of such termination. The provisions of this Agreement that give either of us rights or obligations beyond its termination including, without limitation, paragraph 27, shall continue indefinitely following the termination of this Agreement and shall survive completion of the Company's bankruptcy whether through a confirmed plan of reorganization under Chapter 11, liquidation of the Company's assets under Chapter 7 of the Bankruptcy Code, or otherwise.



33. By agreement to the provision of the Audit Services, we are not providing a guarantee to you that our performance of those services pursuant to the terms and conditions set forth in this Agreement will guarantee your successful reorganization under Chapter 11.

EY appreciates the opportunity to be of assistance to the Company. If this Agreement accurately reflects the terms on which the Company has agreed to engage EY, please sign below on behalf of the Company and return it to Mike Hickenbotham, 190 Carondelet Plaza, Suite 1300, St. Louis, Missouri 63105.

Very truly yours,

Ernst + Young LLP

Agreed and accepted by:

Patriot Coal Corporation

By: *Mark N. Schroeder*
Mark N. Schroeder
Senior Vice President & Chief Financial Officer

Dispute Resolution Procedures

Mediation

A party shall submit a dispute to mediation by written notice to the other party or parties. The mediator shall be selected by the parties. If the parties cannot agree on a mediator, the International Institute for Conflict Prevention and Resolution (“CPR”) shall designate a mediator at the request of a party. Any mediator must be acceptable to all parties and must confirm in writing that he or she is not, and will not become during the term of the mediation, an employee, partner, executive officer, director, or substantial equity owner of any Ernst & Young audit client.

The mediator shall conduct the mediation as he/she determines, with the agreement of the parties. The parties shall discuss their differences in good faith and attempt, with the mediator’s assistance, to reach an amicable resolution of the dispute. The mediation shall be treated as a settlement discussion and shall therefore be confidential. The mediator may not testify for either party in any later proceeding relating to the dispute. The mediation proceedings shall not be recorded or transcribed.

Each party shall bear its own costs in the mediation. The parties shall share equally the fees and expenses of the mediator.

If the parties have not resolved a dispute within 90 days after written notice beginning mediation (or a longer period, if the parties agree to extend the mediation), the mediation shall terminate and the dispute shall be settled by arbitration. In addition, if a party initiates litigation, arbitration, or other binding dispute resolution process without initiating mediation, or before the mediation process has terminated, an opposing party may deem the mediation requirement to have been waived and may proceed with arbitration.

Arbitration

The arbitration will be conducted in accordance with the procedures in this document and the CPR Rules for Non-Administered Arbitration (“Rules”) as in effect on the date of the Agreement, or such other rules and procedures as the parties may agree. In the event of a conflict, the provisions of this document will control.

The arbitration will be conducted before a panel of three arbitrators, to be selected in accordance with the screened selection process provided in the Rules. Any issue concerning the extent to which any dispute is subject to arbitration, or concerning the applicability, interpretation, or enforceability of any of these procedures, shall be governed by the Federal Arbitration Act and resolved by the arbitrators. No potential arbitrator may be appointed unless he or she has agreed in writing to these procedures and has confirmed in writing that he or she is not, and will not become during the term of the arbitration, an employee, partner, executive officer, director, or substantial equity owner of any Ernst & Young audit client.

The arbitration panel shall have no power to award non-monetary or equitable relief of any sort or to make an award or impose a remedy that (i) is inconsistent with the agreement to which these procedures are attached or any other agreement relevant to the dispute, or (ii) could not be made or

imposed by a court deciding the matter in the same jurisdiction. In deciding the dispute, the arbitration panel shall apply the limitations period that would be applied by a court deciding the matter in the same jurisdiction, and shall have no power to decide the dispute in any manner not consistent with such limitations period.

Discovery shall be permitted in connection with the arbitration only to the extent, if any, expressly authorized by the arbitration panel upon a showing of substantial need by the party seeking discovery.

All aspects of the arbitration shall be treated as confidential. The parties and the arbitration panel may disclose the existence, content or results of the arbitration only in accordance with the Rules or applicable professional standards. Before making any such disclosure, a party shall give written notice to all other parties and shall afford them a reasonable opportunity to protect their interests, except to the extent such disclosure is necessary to comply with applicable law, regulatory requirements or professional standards.

The result of the arbitration shall be binding on the parties, and judgment on the arbitration award may be entered in any court having jurisdiction.

EXHIBIT 1-C

Tax Engagement Letter



Ernst & Young LLP
The Plaza in Clayton
Suite 1300
190 Carondelet Plaza
St. Louis, MO 63105-3434
Tel: +1 314 290 1000
Fax: +1 314 290 1882

Patriot Coal Corporation
12312 Olive Boulevard, Suite 400
St. Louis, MO 63141
Attn: Mr. Mark N. Schroeder
Senior Vice President and Chief Financial Officer

July 18, 2012

Dear Mark:

Thank you for choosing Ernst & Young LLP (“we” or “EY”) to perform professional services (the “Services”) for Patriot Coal Corporation (“you” or “Client”) and certain of its subsidiaries subsequent to Client filing a petition under Chapter 11 (“Chapter 11”) of the United States Bankruptcy Code (“Bankruptcy Code”) on July 9, 2012 with the United States Bankruptcy Court for the Southern District of New York (“Bankruptcy Court”). Our performance of Services is contingent upon the Bankruptcy Court’s approval of our retention in accordance with the terms and conditions that are set forth in this Agreement. We appreciate the opportunity to assist you and look forward to working with you.

For each project that we agree to undertake for you, we will prepare a Statement of Work describing the particular Services, as well as any advice, presentations, or filings to be made, our fees therefore, and any other project-specific arrangements and shall be subject to approval of the Bankruptcy Court. All of the Services will be subject to the terms and conditions of this letter, its attachments, including the General Terms and Conditions, and the applicable Statement of Work (together, this “Agreement”).

We may enter into Statements of Work with you for a period of five years following the date of this letter, although we may agree with you to extend that period, including by executing additional Statements of Work referencing this Agreement.


Please sign this letter in the space provided below to indicate your agreement with these arrangements and return it to David Hornburg at your earliest convenience. If you have any questions about any of these materials, please do not hesitate to contact David Hornburg so that we can address any issues you identify before we begin to provide any Services.

Very truly yours,

Ernst & Young LLP

AGREED:

Patriot Coal Corporation

By:  _____
Mark N. Schroeder
Senior Vice President & Chief Financial Officer

GENERAL TERMS AND CONDITIONS

Our relationship with you

1. We will perform the Services in accordance with applicable professional standards, including those established by the American Institute of Certified Public Accountants (“AICPA”).
2. We are a member of the global network of Ernst & Young firms (“EY Firms”), each of which is a separate legal entity.
3. We will provide the Services to you as an independent contractor and not as your employee, agent, partner or joint venturer. Neither you nor we have any right, power or authority to bind the other.
4. Subject to Bankruptcy Court approval, we may subcontract portions of the Services to other EY Firms, who may deal with you directly. Nevertheless, we alone will be responsible to you for the Reports (as defined in Section 11), the performance of the Services, and our other obligations under this Agreement. From time to time, non-CPA personnel may perform the Services.
5. We will not assume any of your management responsibilities in connection with the Services. We will not be responsible for the use or implementation of the output of the Services, although we may otherwise provide advice and recommendations to assist you in your management functions and making decisions.

Your responsibilities

6. You shall assign a qualified person to oversee the Services. You are responsible for all management decisions relating to the Services, the use or implementation of the output of the Services and for determining whether the Services are appropriate for your purposes.
7. You shall provide (or cause others to provide) to us, promptly, the information, resources and assistance (including access to records, systems, premises and people) that we reasonably require to perform the Services.
8. To the best of your knowledge, all information provided by you or on your behalf (“Client Information”) will be accurate and complete in all material respects. The provision of Client Information to us will not infringe any copyright or other third-party rights.

9. We will rely on Client Information made available to us and, unless we expressly agree otherwise, will have no responsibility to evaluate or verify it.
10. You shall be responsible for your personnel’s compliance with your obligations under this Agreement.

Our Reports

11. Any information, advice, recommendations or other content of any reports, presentations or other communications we provide under this Agreement (“Reports”), other than Client Information, are for your internal use only (consistent with the purpose of the particular Services).
12. You may not disclose a Report (or any portion or summary of a Report) externally (including to your affiliates) or refer to us or to any other EY Firm in connection with the Services, except:
 - (a) to your lawyers (subject to these disclosure restrictions), who may review it only to give you advice relating to the Services,
 - (b) to the extent, and for the purposes, required by subpoena or similar legal process (of which you will promptly notify us),
 - (c) to other persons (including your affiliates) with our prior written consent, who have executed an access letter substantially in the form we prescribe and who may use it only as we have specified in our consent, or
 - (d) to the extent it contains Tax Advice, as set forth in Section 13.

If you are permitted to disclose a Report (or a portion thereof) externally, you shall not alter, edit or modify it from the form we provided.

13. You may disclose to anyone a Report (or a portion thereof) solely to the extent that it relates to tax matters, including tax advice, tax opinions, tax returns, or the tax treatment or tax structure of any transaction to which the Services relate (“Tax Advice”). With the exception of tax authorities, you shall inform those to whom you disclose Tax Advice that they may not rely on it for any purpose without our prior written consent.

14. You may incorporate into documents that you intend to disclose externally EY summaries, calculations or tables based on Client Information contained in a Report, but not our recommendations, conclusions or findings. However, you must assume sole responsibility for the contents of those documents and not refer to us or any other EY Firm in connection with them. This provision does not affect your ability to circulate Reports internally.
15. You may not rely on any draft Report. We shall not be required to update any final Report for circumstances of which we become aware, or events occurring, after its delivery.

Limitations

16. You (and any others for whom Services are provided) may not recover from us, in contract or tort, under statute or otherwise, any consequential, incidental, indirect, punitive or special damages in connection with claims arising out of this Agreement or otherwise relating to the Services, including any amount for loss of profit, data or goodwill, whether or not the likelihood of such loss or damage was contemplated.
17. You (and any others for whom Services are provided) may not recover from us, in contract or tort, under statute or otherwise, aggregate damages in excess of the fees actually paid for the Services that directly caused the loss in connection with claims arising out of this Agreement or otherwise relating to the Services. This limitation will not apply to losses caused by our fraud or willful misconduct or to the extent prohibited by applicable law or professional regulations.
18. You shall make any claim relating to the Services or otherwise under this Agreement no later than one year after you became aware (or ought reasonably to have become aware) of the facts giving rise to any alleged such claim and in any event, no later than two years after the completion of the particular Services. This limitation will not apply to the extent prohibited by applicable law or professional regulations.
19. You may not make a claim or bring proceedings relating to the Services or otherwise under this Agreement against any other EY Firm or our or its subcontractors, members, shareholders, directors, officers, partners, principals or employees ("EY Persons"). You shall make any claim or bring proceedings only against us. The limitations in Sections 16 through 18 and this Section 19 are intended to benefit the other EY Firms and all EY Persons, who shall be entitled to enforce them.

Indemnity

20. To the fullest extent permitted by applicable law and professional regulations, you shall indemnify us, the other EY Firms and the EY Persons against all claims

by third parties (including your affiliates and attorneys) and resulting liabilities, losses, damages, costs and expenses (including reasonable external and internal legal costs) arising out of the third party's use of or reliance on any Report (including Tax Advice) disclosed to it by you or at your request.

Intellectual property rights

21. We may use data, software, designs, utilities, tools, models, systems and other methodologies and know-how ("Materials") that we own or license in performing the Services. Notwithstanding the delivery of any Reports, we retain all intellectual property rights in the Materials (including any improvements or knowledge developed while performing the Services), and in any working papers compiled in connection with the Services (but not Client Information reflected in them).
22. Upon payment for particular Services and subject to the other terms of this Agreement, you may use the Reports relating to those Services, as well as any Materials owned by us that are included therein, solely to the extent necessary to use the Reports.

Confidentiality

23. Except as otherwise permitted by this Agreement, neither of us may disclose to third parties the contents of this Agreement or any information (other than Tax Advice) provided by or on behalf of the other that ought reasonably to be treated as confidential and/or proprietary. Either of us may, however, disclose such information to the extent that it:
 - (a) is or becomes public other than through a breach of this Agreement,
 - (b) is subsequently received by the recipient from a third party who, to the recipient's knowledge, owes no obligation of confidentiality to the disclosing party with respect to that information,
 - (c) was known to the recipient at the time of disclosure or is thereafter created independently,
 - (d) is disclosed as necessary to enforce the recipient's rights under this Agreement, or
 - (e) must be disclosed under applicable law, legal process or professional regulations.
24. Either of us may use electronic media to correspond or transmit information and such use will not in itself constitute a breach of any confidentiality obligations under this Agreement.

25. Unless prohibited by applicable law, we may disclose Client Information to other EY Firms and EY Persons, who may collect, use, transfer, store or otherwise process (collectively, "Process") it to facilitate performance of the Services, to comply with regulatory requirements, to check conflicts, or for quality, risk management or financial accounting purposes.
26. With respect to any Services, if U.S. Securities and Exchange Commission auditor independence requirements apply to the relationship between you or any of your associated entities and any EY Firm, you represent, to the best of your knowledge, as of the date of this Agreement and as of the date of each Statement of Work hereunder, that neither you nor any of your affiliates has agreed, either orally or in writing, with any other advisor to restrict your ability to disclose to anyone the tax treatment or tax structure of any transaction to which the Services relate. An agreement of this kind could impair an EY Firm's independence as to your audit or that of any of your affiliates, or require specific tax disclosures as to those restrictions. Accordingly, you agree that the impact of any such agreement is your responsibility.

Data protection

27. We may Process Client Information that can be linked to specific individuals ("Personal Data"). We may Process Personal Data in various jurisdictions in which we and the other EY Firms (which are listed at www.ey.com) operate to facilitate performance of the Services, to comply with regulatory requirements, to check conflicts or for quality, risk management or financial accounting purposes. We will Process Personal Data in accordance with applicable law and professional regulations, including, where applicable, the European Union Safe Harbor program of the U.S. Department of Commerce, in which EY participates. We will require any service provider that Processes Personal Data on our behalf to adhere to such requirements. If any Client Information is protected health information under the Health Insurance Portability and Accountability Act, as amended, this Agreement is deemed to incorporate all of the terms otherwise required to be included in a business associate contract relating to such information.
28. You warrant that you have the authority to provide the Personal Data to us in connection with the performance of the Services and that the Personal Data provided to us has been Processed in accordance with applicable law.

Fees and expenses generally

29. You shall pay our professional fees and specific expenses in connection with the Services as detailed in the applicable Statement of Work. You shall also reimburse us for other reasonable expenses incurred in performing the Services. Our fees are exclusive of taxes

or similar charges, as well as customs, duties or tariffs imposed in respect of the Services, all of which you shall pay (other than taxes imposed on our income generally). Unless otherwise set forth in the applicable Statement of Work, payment is due within 30 days following receipt of each of our invoices. We may receive rebates in connection with certain purchases, which we use to reduce charges that we would otherwise pass on to you.

30. Subject to Bankruptcy Court approval, if necessary, we may charge additional professional fees if events beyond our control (including your acts or omissions) affect our ability to perform the Services as originally planned or if you ask us to perform additional tasks.
31. If we are required by applicable law, legal process or government action to produce information or personnel as witnesses with respect to the Services or this Agreement, you shall reimburse us for any professional time and expenses (including reasonable external and internal legal costs) incurred to respond to the request, unless we are a party to the proceeding or the subject of the investigation.

Force majeure

32. Neither you nor we shall be liable for breach of this Agreement (other than payment obligations) caused by circumstances beyond your or our reasonable control.

Term and termination

33. This Agreement applies to the Services after the date of your filing of a Chapter 11 petition (including before the date of this Agreement).
34. This Agreement shall terminate upon the completion of the Services. This Agreement and/or any or all Statements of Work may be terminated at any time by you or us, but in any event this Agreement including all Statements of Work will expire upon the effective date of your confirmed plan of reorganization, or liquidation of the your assets under Chapter 11 or 7 of the Bankruptcy Code, or otherwise.

35. You shall pay us for all work-in-progress, Services already performed, and expenses incurred by us up to and including the effective date of the termination of this Agreement. Payment is due within 30 days following receipt of our invoice for these amounts or as quickly as the Bankruptcy Code, Bankruptcy Rules, Local Rules and any relevant orders of the Bankruptcy Court allow.

36. The provisions of this Agreement, including Section 14 and otherwise with respect to Reports, that give either of us rights or obligations beyond its termination, including, without limitation, paragraph 37, shall continue indefinitely following the termination of this Agreement, and shall survive completion of the Client's bankruptcy whether through a confirmed plan of reorganization under Chapter 11, liquidation of the Client's assets under Chapter 7 of the Bankruptcy Code, or otherwise..

Governing law and dispute resolution

37. This Agreement, and any non-contractual matters or obligations arising out of this Agreement or the Services, including (without limitation) claims arising in tort, fraud, under statute or otherwise relating to the Services, or questions relating to the scope or enforceability of this Section 37, shall be governed by, and construed in accordance with, the laws of New York applicable to agreements made, and fully to be performed, therein by residents thereof. Any controversy or claim with respect to, in connection with, arising out of, or in any way related to this Agreement or the services provided hereunder (including any such matter involving any parent, subsidiary, affiliate, successor in interest or agent of Client or its subsidiaries or of EY) shall be brought in the Bankruptcy Court or the applicable district court (if such district court withdraws the reference) and the parties to this Agreement, and any and all successors and assigns thereof, consent to the jurisdiction and venue of such court as the sole and exclusive forum (unless such court does not have jurisdiction and venue of such claims or controversies) for the resolution of such claims, causes of action or lawsuits. The parties to this Agreement, and any and all successors and assigns thereof, hereby waive trial by jury, such waiver being informed and freely made. If the Bankruptcy Court, or the district court upon withdrawal of the reference, does not have or retain jurisdiction over the foregoing claims or controversies, the parties to this Agreement and any and all successors and assigns thereof, agree to submit first to nonbinding mediation; and, if mediation is not successful, then to binding arbitration, in accordance with the dispute resolution procedures as set forth in Appendix 1 to these Terms and Conditions. Judgment on any arbitration award may be entered in any court having proper jurisdiction. The foregoing is binding upon Client, EY and any all successors and assigns thereof

Miscellaneous

38. This Agreement constitutes the entire agreement between us as to the Services and the other matters it covers, and supersedes all prior agreements, understandings and representations with respect thereto, including any confidentiality agreements previously delivered. Except as expressly provided otherwise herein, this Agreement does not modify the terms or

provisions for other professional services executed prior to Client's filing of a Chapter 11 petition in the Bankruptcy Court. 39. Both of us may execute this Agreement (including Statements of Work), as well as any modifications thereto, by electronic means and each of us may sign a different copy of the same document. Both of us must agree in writing to modify this Agreement or any Statement of Work hereunder, subject to Bankruptcy Court approval, if necessary..

40. Each of us represents to the other that the person signing this Agreement and any Statement of Work hereunder on its behalf is expressly authorized to execute it and to bind such party to its terms. You also represent that this Agreement has, if necessary, been considered and approved by your Audit Committee. You represent that your affiliates and any others for whom Services are performed shall be bound by the terms of this Agreement.
41. You agree that we and the other EY Firms may, subject to professional obligations, act for other clients, including your competitors.
42. Neither of us may assign any of our rights, obligations or claims under this Agreement.
43. If any provision of this Agreement (in whole or part) is held to be illegal, invalid or otherwise unenforceable, the other provisions shall remain in full force and effect.
44. If there is any inconsistency between provisions in different parts of this Agreement, those parts shall have precedence as follows (unless expressly agreed otherwise): (a) the Cover Letter, (b) the applicable Statement of Work and any attachments thereto, (c) these General Terms and Conditions, and (d) other attachments to this Agreement.
45. Neither of us may use or reference the other's name, logo or trademarks publically without the other's prior written consent, although we may publically identify you as a client in connection with specific Services or generally.
46. By agreement to the provision of the Services, we are not providing a guarantee to you that our performance of those services pursuant to the terms and conditions set forth in this Agreement will guarantee your successful reorganization under Chapter 11.

Appendix 1

Dispute resolution procedures

Mediation

A party shall submit a dispute to mediation by written notice to the other party or parties. The mediator shall be selected by the parties. If the parties cannot agree on a mediator, the International Institute for Conflict Prevention and Resolution (“CPR”) shall designate a mediator at the request of a party. Any mediator must be acceptable to all parties and must confirm in writing that he or she is not, and will not become during the term of the mediation, an employee, partner, executive officer, director, or substantial equity owner of any EY audit client.

The mediator shall conduct the mediation as he/she determines, with the agreement of the parties. The parties shall discuss their differences in good faith and attempt, with the mediator’s assistance, to reach an amicable resolution of the dispute. The mediation shall be treated as a settlement discussion and shall therefore be confidential. The mediator may not testify for either party in any later proceeding relating to the dispute. The mediation proceedings shall not be recorded or transcribed.

Each party shall bear its own costs in the mediation. The parties shall share equally the fees and expenses of the mediator.

If the parties have not resolved a dispute within 90 days after written notice beginning mediation (or a longer period, if the parties agree to extend the mediation), the mediation shall terminate and the dispute shall be settled by arbitration. In addition, if a party initiates litigation, arbitration, or other binding dispute resolution process without initiating mediation, or before the mediation process has terminated, an opposing party may deem the mediation requirement to have been waived and may proceed with arbitration.

Arbitration

The arbitration will be conducted in accordance with the procedures in this document and the CPR Rules for Non-Administered Arbitration (“Rules”) as in effect on the date of the Agreement, or such other rules and procedures as the parties may agree. In the event of a conflict, the provisions of this document will control.

The arbitration will be conducted before a panel of three arbitrators, to be selected in accordance with the screened selection process provided in the Rules. Any issue concerning the extent to which any dispute is subject to arbitration, or concerning the applicability, interpretation, or enforceability of any of these procedures, shall be governed by the Federal Arbitration Act and resolved by the arbitrators. No potential arbitrator may be appointed unless he or she has agreed in writing to these procedures and has confirmed in writing that he or she is not, and will not become during the term of the

arbitration, an employee, partner, executive officer, director, or substantial equity owner of any EY audit client.

The arbitration panel shall have no power to award non-monetary or equitable relief of any sort or to make an award or impose a remedy that (i) is inconsistent with the agreement to which these procedures are attached or any other agreement relevant to the dispute, or (ii) could not be made or imposed by a court deciding the matter in the same jurisdiction. In deciding the dispute, the arbitration panel shall apply the limitations period that would be applied by a court deciding the matter in the same jurisdiction, and shall have no power to decide the dispute in any manner not consistent with such limitations period.

Discovery shall be permitted in connection with the arbitration only to the extent, if any, expressly authorized by the arbitration panel upon a showing of substantial need by the party seeking discovery.

All aspects of the arbitration shall be treated as confidential. The parties and the arbitration panel may disclose the existence, content or results of the arbitration only in accordance with the Rules or applicable professional standards. Before making any such disclosure, a party shall give written notice to all other parties and shall afford them a reasonable opportunity to protect their interests, except to the extent such disclosure is necessary to comply with applicable law, regulatory requirements or professional standards.

The result of the arbitration shall be binding on the parties, and judgment on the arbitration award may be entered in any court having jurisdiction.



Ernst & Young LLP
The Plaza in Clayton
Suite 1300
190 Carondelet Plaza
St. Louis, MO 63105-3434
Tel: +1 314 290 1000
Fax: +1 314 290 1882

Patriot Coal Corporation
12312 Olive Boulevard, Suite 400
St. Louis, MO 63141
Attn: Mr. Mark N. Schroeder
Senior Vice President and Chief Financial Officer

July 18, 2012

Dear Mark:

Statement of Work – Bankruptcy Tax Assistance

This Statement of Work (this “SOW”), is made by Ernst & Young LLP (“we” or “EY”) and Patriot Coal Corporation (“you”, “Patriot” or “Client”), pursuant to the Agreement, dated July 18, 2012 (the “Agreement”), between EY and Patriot that was executed in connection with the Client filing a voluntary petition under Chapter 11 of the United States Bankruptcy Code (“Chapter 11”) on July 9, 2012 with the United States Bankruptcy Court for the Southern District of New York (the “Bankruptcy Court”), and describes certain tax services that EY will perform for the Client and certain of its subsidiaries during the Client’s Chapter 11 proceedings.

Except as otherwise set forth in this SOW, this SOW incorporates by reference, and is deemed to be a part of, the Agreement. The additional terms and conditions of this SOW shall apply only to the tax advisory Services covered by this SOW and not to Services covered by any other Statement of Work pursuant to the Agreement. Capitalized terms used, but not otherwise defined, in this SOW shall have the meanings in the Agreement, and references in the Agreement to “you” or “Client” shall be deemed references to you.

Scope of services

We will provide the following tax advisory Services to you, contingent upon the Bankruptcy Court’s approval of our retention in accordance with the terms and conditions that are set forth in the Agreement (inclusive of this SOW) and pre-approval of the Client’s Audit Committee:

- Advise Client in developing an understanding of the tax implications of its bankruptcy restructuring alternatives and post-bankruptcy operations, including research and analysis of the Internal Revenue Code, Treasury regulations, case law and other relevant US federal, state, and non-US tax authorities, as applicable.
- Understand reorganization and/or restructuring alternatives Client is evaluating with its existing bondholders and other creditors that may result in a change in the equity, capitalization and/or ownership of the shares of Client or its assets;



- Advise with respect to the calculations (“Section 382 calculations”) related to historic changes in ownership of Client’s stock, including a determination of whether the shifts in stock ownership may have caused an ownership change that will restrict the use of tax attributes (such as net operating loss, capital loss and credit carry forwards and built-in losses) and the amount of any such limitation;
- Advise with respect to the determination of the amount of Client’s tax attributes, section 382 limitation (if any), discharge of indebtedness income, attribute reduction and net unrealized built-in loss and an estimate of the built-in loss to be recognized during the five-year, post-ownership change recognition period based on Notice 2003-65. EY will confirm whether section 382(l)(5) may be applied to the plan of reorganization and, if so, review modeling to determine whether it is more advantageous to apply section 382(l)(5) or elect section 382(l)(6);
- Advise with respect to the analysis related to availability, limitations and preservation of tax attributes such as net operating losses, tax credits, stock and asset basis as a result of the application of the federal and state (or non-US local country if applicable) cancellation of indebtedness provisions, including the review of calculations to determine the amount of tax attributes reduction related to debt cancellation income. EY will also assist with the analysis with respect to the benefits or detriments of making other related elections, such as the election under section 108(b)(5);
- Advise with respect to tax analysis associated with planned or contemplated acquisitions and divestitures, including tax return disclosure and presentation;
- Advise with respect to tax analysis and research related to tax-efficient domestic restructurings, including review of stock basis computations, non-income tax consequences, and verifying tax basis of assets and tax basis of subsidiary balance sheets for purposes of evaluating transactions;
- Advise with respect to the analysis of historic returns, tax positions and Client records for the application of relevant consolidated tax return rules to the current transaction, including but not limited to, deferred inter-company transactions, excess loss accounts and other consolidated return issues for each legal entity in Client’s US tax group;
- Advise with respect to the federal, state and local tax treatment (including tax return disclosure and presentation) governing the timing and deductibility of expenses incurred before and during the bankruptcy period, including but not limited to, bankruptcy costs, severance costs, interest and financing costs, legal and professional fees, and other costs incurred as Client rationalizes its operations;
- Advise with respect to the federal, state and local country tax consequences of internal restructurings and rationalization of inter-company accounts;



- Advise with respect to the federal, state and local tax consequences of potential material bad debt and worthless stock deductions, including tax return disclosure and presentation; and
- Provide documentation, as appropriate or necessary, of tax analysis, opinions, recommendations, conclusions and correspondence for any proposed restructuring alternative, bankruptcy tax issue, or other tax matter described above.
- Advise with respect to taxing jurisdiction correspondence and post-petition return disclosure considerations (including requests for prompt tax liability determinations) for Client's review and finalization with counsel, and overview of related tax considerations to be considered by Client and counsel in the development of bankruptcy workplan

The Services may be modified from time to time by our mutual written agreement and approval of the Bankruptcy Court, if required. All tax services are subject to audit committee pre-approval which must be obtained prior to the rendering of any service or any revision to this agreement.

Client acknowledges and agrees that, whether or not this SOW has been approved by the Bankruptcy Court at the time any Report is rendered, any such Report rendered by EY prior to the delivery of its final Report is preliminary in nature and cannot be relied upon for any purpose, including penalty protection.

Out-of-Scope Services

Any activities not described as Services, as indicated above under Scope of Services, are not covered by the fees stated herein. These services will be considered outside the scope of this SOW and are the responsibility of Client to perform on a timely basis unless otherwise agreed by the parties in writing.

EY shall not be required to perform any services which it, in its opinion, considers to be proscribed by the auditor independence rules of the Securities and Exchange Commission, or any other professional body which regulatory or other authority over EY. EY is prohibited from performing any services which require it to testify in Court as an expert witness for Client or to represent Client in court proceedings. EY may testify as a fact witness to the extent they have previously provided services to Client.

Your obligations

We draw your attention to the reservations set out in paragraph 5 of the General Terms and Conditions of the Agreement, as well as your management responsibilities under paragraph 6, your obligations under paragraphs 11 and 12 with respect to use and distribution of Reports and your representation, as of the date hereof, under paragraph 26 thereof. You have obtained the prior approval of your Audit Committee for these Services, as applicable.



You will not, and you will not permit others to, quote or refer to any Reports, any portion, summary or abstract thereof, or to EY or any other EY Firm, in any document filed or distributed in connection with (i) a purchase or sale of securities to which the United States or state securities laws (“Securities Laws”) are applicable, or (ii) periodic reporting obligations under Securities Laws. You will not contend that any provisions of Securities Laws could invalidate any provision of this SOW.

Additional terms and conditions

The Services are advisory in nature. EY will not render an assurance report or assurance opinion under the Agreement, nor will the Services constitute an audit, review, examination, or other form of attestation as those terms are defined by the American Institute of Certified Public Accountants. We will not conduct a review to detect fraud or illegal acts.

You should be aware that the Internal Revenue Code imposes a penalty on an underpayment of tax attributable to any disallowance of claimed tax benefits because a transaction entered into after March 30, 2010, lacks “economic substance.” The penalty rate is 20 percent if the transaction is adequately disclosed to the IRS, with the penalty rate increased to 40 percent if the transaction is not adequately disclosed in the relevant tax return or attachment to that return. As the penalty is one of strict liability, a taxpayer cannot show reasonable cause for the avoidance of the economic substance penalty by establishing reliance on the tax advice of a qualified advisor. Accordingly, our Tax Advice cannot provide any assurance that the claimed tax benefits of a transaction entered into after March 30, 2010, would not be subject to disallowance by reason of a determination by the IRS or the courts that a transaction lacks economic substance or fails to meet the requirements of any similar rule of law, nor can Tax Advice that we provide be relied upon to protect against applicable penalties that may be asserted if it is determined that the transaction lacked economic substance where otherwise required.

If we receive a request from a third party for any information relating to our Tax Advice, we will notify you and will not release any such information unless you have executed an appropriate written consent authorizing such disclosure and the third party has executed a nonreliance and release letter acceptable to us in form and substance. Client authorizes EY, its affiliates, and other members of the global Ernst & Young network, including those located outside the United States, to disclose tax return information relating to Client’s current tax returns, including prior year tax return information, to and among each other for the purpose of rendering the Services and to discuss and provide related services to you. You have the ability to request a more limited disclosure of tax return information than that described above. If, at any time, you would like us to narrow the scope of the information to be disclosed, please contact us in writing and we will limit any disclosures that have not yet occurred. You acknowledge that this consent will be valid for three years from the date this SOW is signed by you below.



Contacts

You have identified yourself as the contact with whom we should communicate about these Services. Your contacts at EY for these Services will be Stan Deptula.

Engagement Team

Stan Deptula will lead the EY team in providing the Services. If this individual ceases to provide tax services to the Client pursuant to the Agreement, EY will so advise the Client and, if that person is replaced, provide the Client with the name of the professional's replacement. Other staff and subject matter specialists, not identified herein, may be utilized as required to conduct our work in an efficient manner.

Fees

The General Terms and Conditions of the Agreement address our fees and expenses generally.

You shall pay fees for the Services, which fees are based on the time that our professionals spend performing them, as adjusted annually on July 1 while the Services under this SOW are being performed. The rates, by level of tax professional, are as follows:

<u>Title</u>	<u>Rate Per Hour</u>
National Tax / Transaction Services Partner / Principal	\$600
Partner / Principal / Executive Director	\$525
Senior Manager	\$430
Manager	\$375
Senior	\$275
Staff	\$190

You shall also pay any potential value-added taxes (VAT), sales taxes, and other indirect taxes incurred in connection with the delivery of the Services, including any such taxes and related administrative costs that result from billing arrangements specifically requested by you.

We will submit an itemized and detailed billing statement, and we will request payment of our fees and expenses, in accordance with the United States Bankruptcy Code (the "Bankruptcy Code"), the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), the Local Rules for the United States Bankruptcy Court for the District of Delaware ("Local Rules") and any relevant administrative orders. We will submit our invoices as the work progresses and payment of them will be made upon receipt, or as quickly as the Bankruptcy Code, the Bankruptcy Rules, Local Rules and any relevant administrative orders allow.

We acknowledge that payment of our fees and expenses hereunder is subject to (i) the jurisdiction and approval of the Bankruptcy Court under Sections 330 and 331 of the Bankruptcy Code, any order of the Bankruptcy Court approving the retention of us and the U.S. Trustee Guidelines, (ii) any applicable fee and expense guidelines and/or orders and (iii) any requirements governing interim and final fee applications.


In witness whereof, the parties have executed this SOW as of the date set forth above.

Very truly yours

Ernst + Young LLP

Agreed and accepted by:

Patriot Coal Corporation

By: 

Mark N. Schroeder
Senior Vice President & Chief Financial Officer

EXHIBIT 2

Parties in Interest/Connections Check Matrix

CategoryName	PartyName	No Connection	Prior Connection	Current Connection
Other Significant Parties-in-Interest	Abriano, Victor	x		
Other Significant Parties-in-Interest	ACE	x		
Other Significant Parties-in-Interest	ACE American Insurance Company		x	x
Parties to the Debtors Significant Executory Contracts	ACIN	x		
Debtors Officers/Directors	Adorjan, J. Joe	x		
Debtors Directors Other Business Affiliation	Adven Capital	x		
Non Debtor Affiliate	Affinity Mining Company	x		
Other Significant Parties-in-Interest	AIG		x	x
Parties to the Debtors Significant Executory Contracts	Alcoa Fuels, Inc.	x		
Parties to the Debtors Significant Executory Contracts	Alderson Heirs	x		
Debtors Other Professionals	AlixPartners			x
Parties to the Debtors Significant Executory Contracts	Allegheny Land	x		
Other Significant Parties-in-Interest	Allegheny Power	x		
Debtors Other Professionals	Allen Guthrie & Thomas	x		
Other Significant Parties-in-Interest	Allied World Assurance Company		x	
Other Significant Parties-in-Interest	Allied World National Assurance Company	x		
Other Significant Parties-in-Interest	Alpha Coal Sales Co. LLC	x		
Other Significant Parties-in-Interest	AmerCable Incorporated		x	
Other Significant Parties-in-Interest	American Casualty Company of Reading, Pennsylvania	x		
Other Significant Parties-in-Interest	American Electric Power		x	x
Other Significant Parties-in-Interest	American Electric Power Co., Inc		x	x
Other Significant Parties-in-Interest	American Patriot Mining, LLC	x		
Debtors Other Professionals	American Stock Transfer & Trust Company, LLC	x		
Other Significant Parties-in-Interest	Anders Williams Resources, Inc.	x		
Other Significant Parties-in-Interest	Aon Risk		x	
Non Debtor Affiliate	Apogee Coal Company, LLC	x		
Non Debtor Affiliate	Appalachia Mine Services, LLC	x		
Other Significant Parties-in-Interest	Appalachian Power Co.	x		
Other Significant Parties-in-Interest	Aquis Communications	x		
Other Significant Parties-in-Interest	Arch Coal, Inc.			x
Other Significant Parties-in-Interest	Arch Specialty	x		
Other Significant Parties-in-Interest	Argo QS	x		
Other Significant Parties-in-Interest	Argonaut Insurance Co	x		
Other Significant Parties-in-Interest	Argonaut Insurance Company			x
Other Significant Parties-in-Interest	ARISE	x		
Other Significant Parties-in-Interest	ARISE Inc.	x		
Parties to the Debtors Significant Executory Contracts	Ark Land KH	x		
Debtors Other Professionals	Arnold & Porter, LLP		x	
Other Significant Parties-in-Interest	Aspen	x		
Other Significant Parties-in-Interest	Aspen American Insurance Company	x		
Other Significant Parties-in-Interest	Aspen Bermuda Ltd	x		
Other Significant Parties-in-Interest	Aspen Insurance UK Limited	x		
Other Significant Parties-in-Interest	Aspen Specialty Insurance Company	x		
Debtors Other Professionals	AST Fund Solutions, LLC	x		
Other Significant Parties-in-Interest	AT&T			x

CategoryName	PartyName	No Connection	Prior Connection	Current Connection
Other Significant Parties-in-Interest	AT&T Mobility	x		
Other Significant Parties-in-Interest	AT&T Teleconference Services	x		
Other Significant Parties-in-Interest	AWAC	x		
Other Significant Parties-in-Interest	Axis	x		
Other Significant Parties-in-Interest	Axis Insurance (Bermuda) Ltd	x		
Other Significant Parties-in-Interest	Axis Insurance Company	x		
Other Significant Parties-in-Interest	Axis Surplus Insurance Company	x		
Debtors Other Professionals	Banc of America Securities LLC	x		
Other Significant Parties-in-Interest	BancorpSouth Equipment Finance			x
Other Significant Parties-in-Interest	Bank of America		x	x
Debtors Other Professionals	Bank of America Corporation		x	x
Other Significant Parties-in-Interest	Bank of America Leasing	x		
All Secured Lenders Professional	Bank of America, N.A.		x	x
All Secured Lenders Professional	Bank of Oklahoma, N.A.	x		
Other Significant Parties-in-Interest	Bank of the West			x
All Secured Lenders Professional	Barclays Bank PLC			x
Debtors Other Professionals	Barclays Capital Inc.			x
Debtors Directors Other Business Affiliation	Bates Sales Company	x		
Other Significant Parties-in-Interest	Bayer CropScience LP	x		
Debtors Officers/Directors	Bean, Joseph W.	x		
Debtors Directors Other Business Affiliation	Beaucoup Farms LLC	x		
Non Debtor Affiliate	Beaver Dam Coal Company, LLC	x		
Debtors Officers/Directors	Bennett, Robert W.	x		
Other Significant Parties-in-Interest	Berkley	x		
Parties to the Debtors Significant Executory Contracts	Berwind Land Company	x		
Parties to the Debtors Significant Executory Contracts	BGK Integrated TIC Management, LLC	x		
Non Debtor Affiliate	Big Eagle LLC	x		
Non Debtor Affiliate	Big Eagle Rail, LLC	x		
Other Significant Parties-in-Interest	Big Rivers Electric Corp.	x		
Parties to the Debtors Significant Executory Contracts	Bituminous Coal Operators' Association	x		
Other Significant Parties-in-Interest	Black Equipment Co, Inc.	x		
Parties to the Debtors Significant Executory Contracts	Black King	x		
Non Debtor Affiliate	Black Stallion Coal Company, LLC	x		
Non Debtor Affiliate	Black Walnut Coal Company	x		
Debtors Major Shareholder	BlackRock, Inc.			x
Other Significant Parties-in-Interest	Blue Cross Blue Shield			
Parties to the Debtors Significant Executory Contracts	Blue Eagle	x		
Non Debtor Affiliate	Bluegrass Mine Services, LLC	x		
Other Significant Parties-in-Interest	BMO Harris Equipment Finance	x		
Debtors Other Professionals	Boehl, Stopher & Graves	x		
Other Significant Parties-in-Interest	Bond Safeguard/LEXON	x		
Other Significant Parties-in-Interest	Boone County, WV	x		
Parties to the Debtors Significant Executory Contracts	Boone East	x		
Parties to the Debtors Significant Executory Contracts	Boone East Development	x		
Debtors Other Professionals	Bowen Engineering Corp.	x		

CategoryName	PartyName	No Connection	Prior Connection	Current Connection
Debtors Other Professionals	Bowles Rice McDavid Graff & Love LLP	x		
Debtors Officers/Directors	Brandt, Philip A.	x		
Other Significant Parties-in-Interest Material Lit	Bridgehouse Capital Limited	x		
Other Significant Parties-in-Interest Material Lit	Bridgehouse Commodities Trading Limited	x		
Debtors Other Professionals	Broadridge Financial Solutions, Inc.		x	x
Other Significant Parties-in-Interest	Brody Mining, LLC	x		
Non Debtor Affiliate	Brook Trout Coal, LLC	x		
Other Significant Parties-in-Interest	Brooks, Catletha	x		
Debtors Officers/Directors	Brown, B. R.	x		
Debtors Other Professionals	Bryan Cave, LLP		x	
Debtors Other Professionals	Buchanan, Ingersoll & Rooney		x	
Other Significant Parties-in-Interest	Buffalo Creek PSD	x		
Debtors Directors Other Business Affiliation	Buffalo Wild Wings, Inc.	x		
Other Significant Parties-in-Interest	California First National Bank	x		
Other Significant Parties-in-Interest	Capitalsource Bank	x		
Other Significant Parties-in-Interest	Carbofer Representacoes Ltda.	x		
Other Significant Parties-in-Interest	Caremark			x
Other Significant Parties-in-Interest	CAT Financial Svcs	x		
Other Significant Parties-in-Interest	Catapano, Maria	x		
Non Debtor Affiliate	Catenary Coal Company, LLC	x		
All Secured Lenders Professional	Caterpillar Financial Services Corp.			x
Other Significant Parties-in-Interest	Caterpillar Financial Services Corporation			x
Other Significant Parties-in-Interest	Caterpillar Global Mining America	x		
Parties to the Debtors Significant Executory Contracts	CC Dickinson Testamentary Trust	x		
Other Significant Parties-in-Interest	Cecil I. Walker Machinery Co.	x		
Other Significant Parties-in-Interest	Cecil I. Walker Machinery Co.	x		
Debtors Directors Other Business Affiliation	CenterPoint Energy, Inc.			x
Non Debtor Affiliate	Central States Coal Reserves of Kentucky, LLC	x		
Parties to the Debtors Significant Executory Contracts	Central WV Energy	x		
Debtors Other Professionals	CH2M Hill Engineers	x		
Non Debtor Affiliate	Charles Coal Company, LLC	x		
Other Significant Parties-in-Interest	Chartis		x	x
Parties to the Debtors Significant Executory Contracts	Chesapeake Mining	x		
Other Significant Parties-in-Interest	Choy, Danny A.	x		
Other Significant Parties-in-Interest	Chubb			x
Other Significant Parties-in-Interest	Chubb Group of Insurance Companies		x	
Debtors Other Professionals	Citibank, National Association		x	x
Other Significant Parties-in-Interest	CitiCapital Commercial Leasing Corporation	x		
Debtors Other Professionals	Citigroup CIB	x		
All Secured Lenders Professional	Citigroup Global Markets Inc.		x	x
Debtors Other Professionals	Citigroup Global Markets, Inc.		x	x
Other Significant Parties-in-Interest	City of Morganfield	x		
Other Significant Parties-in-Interest	City of Uniontown	x		
Other Significant Parties-in-Interest	Citynet, LLC	x		
Other Significant Parties-in-Interest	Clay County, WV	x		

CategoryName	PartyName	No Connection	Prior Connection	Current Connection
Other Significant Parties-in-Interest	Clay-Battelle Public Service District	x		
Other Significant Parties-in-Interest	Clay's Trucking	x		
All Secured Lenders Attorney	Cleary, Gottlieb, Steen & Hamilton LLP			x
Non Debtor Affiliate	Cleaton Coal Company	x		
Other Significant Parties-in-Interest	Clerk of Ct, US Dist Ct for WV	x		
Other Significant Parties-in-Interest	CNA	x		
Non Debtor Affiliate	Coal Clean LLC	x		
Other Significant Parties-in-Interest	Coal Network Inc.	x		
Non Debtor Affiliate	Coal Properties, LLC	x		
Non Debtor Affiliate	Coal Reserve Holding Limited Liability Company No. 2	x		
Parties to the Debtors Significant Executory Contracts	Cole & Crane	x		
Non Debtor Affiliate	Colony Bay Coal Company	x		
All Secured Lenders Professional	Comerica			x
Other Significant Parties-in-Interest	Commonwealth of Kentucky	x		
Other Significant Parties-in-Interest	Commonwealth of KY	x		
Other Significant Parties-in-Interest	Commonwealth of PA		x	
Debtors Other Professionals	Computershare			x
Other Significant Parties-in-Interest	Constellation Energy Commodities	x		
Other Significant Parties-in-Interest	Continental Casualty Company		x	x
Non Debtor Affiliate	Cook Mountain Coal Company, LLC	x		
Non Debtor Affiliate	Corydon Resources LLC	x		
Parties to the Debtors Significant Executory Contracts	Courtney Co.	x		
Non Debtor Affiliate	Coventry Mining Services, LLC	x		
Non Debtor Affiliate	Coyote Coal Company LLC	x		
Other Significant Parties-in-Interest	Crowder, Stephanie B.	x		
Other Significant Parties-in-Interest	CSX Transportation, Inc.		x	
Non Debtor Affiliate	Cub Branch Coal Company LLC	x		
Debtors Other Professionals	Curtis Mallett	x		
Non Debtor Affiliate	Dakota LLC	x		
Other Significant Parties-in-Interest	Dan River Resources LLC	x		
Parties to the Debtors Significant Executory Contracts	David Olliver, Agent	x		
Debtors Attorney	Davis Polk & Wardwell LLP		x	
Other Significant Parties-in-Interest	Davis, Tracy Hope	x		
Non Debtor Affiliate	Day LLC	x		
Debtors Officers/Directors	Day, Michael D.	x		
Other Significant Parties-in-Interest	DBT America Inc.	x		
Other Significant Parties-in-Interest	Dekoven Dock, Incorporated	x		
Debtors Directors Other Business Affiliation	Delta Trust & Bank		x	x
All Substantial Unsecured Bondholder or Lender	Department of Labor	x		
Debtors Other Professionals	Depository Trust and Clearing Corporation		x	x
Debtors Other Professionals	Dinsmore & Shohl LLP		x	
Other Significant Parties-in-Interest	Dish Network		x	x
Non Debtor Affiliate	Dixon Mining Company, LLC	x		
Non Debtor Affiliate	Dodge Hill Holding JV, LLC	x		
Non Debtor Affiliate	Dodge Hill Mining Company, LLC	x		
Non Debtor Affiliate	Dodge Hill of Kentucky, LLC	x		
Other Significant Parties-in-Interest	Dominion Hope	x		

CategoryName	PartyName	No Connection	Prior Connection	Current Connection
Parties to the Debtors Significant Executory Contracts	Donald Greenwell	x		
Other Significant Parties-in-Interest	Driscoll, Michael	x		
Other Significant Parties-in-Interest	Drummond Coal Sales, Inc.			x
Other Significant Parties-in-Interest	DTE Energy Company		x	x
Other Significant Parties-in-Interest	Dub, Elizabeth C.	x		
Debtors Other Professionals	Duff & Phelps Corporation		x	x
Other Significant Parties-in-Interest	Duke Energy Carolinas LLC		x	x
Other Significant Parties-in-Interest	Duke Energy Commercial Asset Management	x		
Other Significant Parties-in-Interest	Duke Energy Kentucky, Inc.	x		
Parties to the Debtors Significant Executory Contracts	Duke Realty		x	
Other Significant Parties-in-Interest	E. On Ag	x		
Non Debtor Affiliate	EACC Camps, Inc.	x		
Other Significant Parties-in-Interest	Eagle Valley, Inc.	x		
Other Significant Parties-in-Interest	East Kentucky Power Cooperative		x	
Non Debtor Affiliate	Eastern Associated Coal, LLC	x		
Non Debtor Affiliate	Eastern Coal Company, LLC	x		
Non Debtor Affiliate	Eastern Royalty, LLC	x		
Other Significant Parties-in-Interest	Eastman Kodak Co.			x
Debtors Officers/Directors	Ebetino, Charles A.	x		
Other Significant Parties-in-Interest	EDF Trading North America, LLC/EDF Trading Limited	x		
Other Significant Parties-in-Interest	Eldon Gas Company	x		
Parties to the Debtors Significant Executory Contracts	Elk Run	x		
Other Significant Parties-in-Interest	Emerald International	x		
Non Debtor Affiliate	Emerald Processing, L.L.C.	x		
Other Significant Parties-in-Interest	Endurance	x		
Other Significant Parties-in-Interest	Endurance American Insurance Company	x		
Debtors Directors Other Business Affiliation	Engelhardt Family Foundation	x		
Debtors Officers/Directors	Engelhardt, Irl F.	x		
Other Significant Parties-in-Interest	Environmental Protection Agency	x		
Other Significant Parties-in-Interest Material Lit	Environmental Protection Agency	x		
Debtors Other Professionals	Equity Methods	x		
Debtors Other Professionals	FBR Capital Markets & Co.	x		
Parties to the Debtors Significant Executory Contracts	Federal Coal	x		
Other Significant Parties-in-Interest	Federal Ins Co/CHUBB	x		
Other Significant Parties-in-Interest	Felton, Marilyn	x		
Debtors Other Professionals	Ferreri & Fogle	x		
Other Significant Parties-in-Interest	Fiberlink Communications Corp.			x
Other Significant Parties-in-Interest	Fields, Myrna R.	x		
All Secured Lenders Professional	Fifth Third Bank		x	x
Other Significant Parties-in-Interest	Fifth Third Bank		x	x
Other Significant Parties-in-Interest	Fifth Third Bank		x	x
Debtors Other Professionals	Fifth Third Securities, Inc.	x		
Other Significant Parties-in-Interest	Firemen's Insurance Company of Newark, New Jersey	x		
Other Significant Parties-in-Interest	First National Capital Corp.	x		
Other Significant Parties-in-Interest	First Surety Corp	x		

CategoryName	PartyName	No Connection	Prior Connection	Current Connection
Other Significant Parties-in-Interest	First Utah Bank	x		
Other Significant Parties-in-Interest	Flagstar Bank, FSBGelco Corporation DBA GE Fleet Services	x		
Debtors Other Professionals	Flaherty, Sensabaugh & Bonasso	x		
Debtors Directors Other Business Affiliation	Foundation for Pinckneyville, Illinois	x		
Debtors Directors Other Business Affiliation	Freedom Group, Inc.		x	x
Debtors Directors Other Business Affiliation	Friends of KWMU	x		
Other Significant Parties-in-Interest	Frontier		x	
Debtors Directors Other Business Affiliation	Galveston Bay Foundation	x		
Other Significant Parties-in-Interest	Gasparini, Elisabetta	x		
Non Debtor Affiliate	Gateway Eagle Coal Company, LLC	x		
Debtors Other Professionals	GCG Inc.	x		
Other Significant Parties-in-Interest	General Electric Capital Corporation			x
Other Significant Parties-in-Interest	GenOn Energy Management, LLC		x	x
Debtors Other Professionals	Georgeson Inc.	x		
Parties to the Debtors Significant Executory Contracts	Gerald Greenwell	x		
Other Significant Parties-in-Interest	Gerdau Acominas S.A.	x		
Other Significant Parties-in-Interest	Gibbs Technology Leasing	x		
Other Significant Parties-in-Interest	Golden, Susan	x		
Debtors Other Professionals	Gordon Law Offices, PSC	x		
Non Debtor Affiliate	Grand Eagle Mining, LLC	x		
Debtors Directors Other Business Affiliation	Greater Houston Partnership		x	
Debtors Other Professionals	Greenberg & Traurig		x	x
Parties to the Debtors Significant Executory Contracts	Greenbrier Land Co.	x		
Debtors Other Professionals	Greensfelder, Hemker & Gale, P.C.	x		
Debtors Directors Other Business Affiliation	Gulf Coast Health Services Steering Committee	x		
Other Significant Parties-in-Interest	Gulf Power Company	x		
Other Significant Parties-in-Interest	Hartford	x		
Debtors Officers/Directors	Hartsog, Kent E.	x		
Debtors Officers/Directors	Hatfield, Bennett K.	x		
Other Significant Parties-in-Interest	Hawthorn Bank	x		
Other Significant Parties-in-Interest	HCC	x		
Other Significant Parties-in-Interest	HCC Surety Group	x		
Debtors Directors Other Business Affiliation	Healthcare Service Corporation	x		
Other Significant Parties-in-Interest	Henderson County Water District	x		
Other Significant Parties-in-Interest	Henderson County, KY	x		
Non Debtor Affiliate	Heritage Coal Company LLC	x		
Debtors Directors Other Business Affiliation	Heritage Society	x		
Non Debtor Affiliate	Highland Mining Company, LLC	x		
Non Debtor Affiliate	Hillside Mining Company	x		
Other Significant Parties-in-Interest	Hiscox	x		
Non Debtor Affiliate	Hobet Mining, LLC	x		
Other Significant Parties-in-Interest	Home Oil & Gas	x		

CategoryName	PartyName	No Connection	Prior Connection	Current Connection
Parties to the Debtors Significant Executory Contracts	Hoover	x		
Parties to the Debtors Significant Executory Contracts	Hoover LaFollette	x		
Parties to the Debtors Significant Executory Contracts	Horse Creek Coal Land Co.	x		
Parties to the Debtors Significant Executory Contracts	Horse Creek Land and Mining	x		
Debtors Officers/Directors	Hudson, Terry G.	x		
Other Significant Parties-in-Interest	Hunter Trucking	x		
Other Significant Parties-in-Interest	Huntington Technology Group Inc.	x		
Debtors Other Professionals	Husch Blackwell	x		
Debtors Other Professionals	IBM		x	x
Other Significant Parties-in-Interest	IBM		x	x
Other Significant Parties-in-Interest	ICON Investments	x		
Other Significant Parties-in-Interest	ICON Magnum, LLC	x		
Other Significant Parties-in-Interest	ILL Workers Comp	x		
Other Significant Parties-in-Interest	Illinois Department of Natural Resources	x		
Other Significant Parties-in-Interest	Illinois Environmental Protection Agency	x		
Other Significant Parties-in-Interest	Illinois Pollution Control Board	x		
Debtors Directors Other Business Affiliation	Illinois Rural Heritage Museum	x		
Other Significant Parties-in-Interest	ILVA Spa	x		
Parties to the Debtors Significant Executory Contracts	Imperial Coal Company		x	
Other Significant Parties-in-Interest	Indemnity Insurance Company of North America	x		
Other Significant Parties-in-Interest	Indemnity National Insurance Company	x		
Other Significant Parties-in-Interest	Indemnity Natl Ins Co	x		
Non Debtor Affiliate	Indian Hill Company LLC	x		
Non Debtor Affiliate	Infinity Coal Sales, LLC	x		
Other Significant Parties-in-Interest	Ins Commissioner of WV	x		
Other Significant Parties-in-Interest	Insurance Company of North America	x		
Non Debtor Affiliate	Interior Holdings, LLC	x		
Other Significant Parties-in-Interest	Internal Revenue Service		x	
Non Debtor Affiliate	IO Coal LLC	x		
Other Significant Parties-in-Interest	Ironshore		x	x
Other Significant Parties-in-Interest	Iron-Starr	x		
Debtors Directors Other Business Affiliation	J&A Group	x		
Debtors Other Professionals	Jackson Kelly PLLC	x		
Parties to the Debtors Significant Executory Contracts	Jackson Vinson	x		
Parties to the Debtors Significant Executory Contracts	James M. Greenwell	x		
Non Debtor Affiliate	Jarrelli ½s Branch Coal Company	x		
Other Significant Parties-in-Interest	Jennmar Corporation	x		
Other Significant Parties-in-Interest	JMAC Leasing Inc.	x		
Parties to the Debtors Significant Executory Contracts	Johnny Royster	x		
Debtors Officers/Directors	Johnson, Michael P.	x		
Debtors Officers/Directors	Jones, Jacquelyn A.	x		
Debtors Officers/Directors	Jones, John R.	x		
Other Significant Parties-in-Interest	Joy Mining Machinery	x		

CategoryName	PartyName	No Connection	Prior Connection	Current Connection
Other Significant Parties-in-Interest	Joy Technologies Inc.	x		
Non Debtor Affiliate	Jupiter Holdings LLC	x		
Other Significant Parties-in-Interest	Kanawha County, WV	x		
Non Debtor Affiliate	Kanawha Eagle Coal, LLC	x		
Other Significant Parties-in-Interest	Kanawha Public Service District	x		
Other Significant Parties-in-Interest	Kanawha River Terminals, LLC	x		
Non Debtor Affiliate	Kanawha River Ventures I, LLC	x		
Non Debtor Affiliate	Kanawha River Ventures II, LLC	x		
Non Debtor Affiliate	Kanawha River Ventures III, LLC	x		
Parties to the Debtors Significant Executory Contracts	Kay-Ford-JamesLawson Heirs	x		
Non Debtor Affiliate	KE Ventures, LLC	x		
Other Significant Parties-in-Interest	Kenergy Corp	x		
Other Significant Parties-in-Interest	Kenergy Corp.	x		
Other Significant Parties-in-Interest	Kentucky Department for Environmental Protection	x		
Other Significant Parties-in-Interest	Kentucky Department for Natural Resources	x		
Other Significant Parties-in-Interest	Kentucky Office of Mine Safety and Licensing	x		
Other Significant Parties-in-Interest	Kentucky Utilities Co		x	x
Other Significant Parties-in-Interest	Kentucky Utilities Co.		x	x
Other Significant Parties-in-Interest	Key Equipment Finance Inc.	x		
Other Significant Parties-in-Interest	Keystone Industries	x		
Other Significant Parties-in-Interest Material Lit	Keystone Industries, LLC	x		
Other Significant Parties-in-Interest	Khodorovsky, Nazar	x		
Debtors Other Professionals	Kohn, Shands, Elbert, Gianoulakis & Giljum, LLP	x		
Other Significant Parties-in-Interest	Komatsu Financial Limited Partnership	x		
Other Significant Parties-in-Interest	Komsa Sarl	x		
Debtors Other Professionals	KPMG LLP	x		
All Secured Lenders Attorney	Latham & Watkins LLP		x	
Debtors Other Professionals	Lewis Glasser Casey & Rollins, PLLC	x		
Parties to the Debtors Significant Executory Contracts	Lewis Heirs	x		
Other Significant Parties-in-Interest	Liberty	x		
Other Significant Parties-in-Interest	Liberty International Underwriters	x		
Other Significant Parties-in-Interest	Liberty Mutual Insurance Europe Limited	x		
Other Significant Parties-in-Interest	Lincoln County, WV	x		
Parties to the Debtors Significant Executory Contracts	Little Coal Land Co.	x		
Non Debtor Affiliate	Little Creek LLC	x		
Other Significant Parties-in-Interest	Logan County, WV	x		
Non Debtor Affiliate	Logan Fork Coal Company	x		
Other Significant Parties-in-Interest	Long Branch Energy	x		
Debtors Officers/Directors	Longoria, Janeice M.	x		
Other Significant Parties-in-Interest	Louisville Gas and Electric Comp		x	x
Parties to the Debtors Significant Executory Contracts	LRPB	x		
Parties to the Debtors Significant Executory Contracts	LRPB KE	x		
Debtors Officers/Directors	Lucha, Dale F.	x		
Other Significant Parties-in-Interest	Lumos Networks Inc	x		

CategoryName	PartyName	No Connection	Prior Connection	Current Connection
Debtors Officers/Directors	Lushefski, John E.	x		
All Secured Lenders Professional	M&I Bank (Southwest Bank of St Louis)	x		
Other Significant Parties-in-Interest	Macquarie Corporate and Asset Funding, Inc.	x		
Other Significant Parties-in-Interest	Magnum Coal Co.	x		
Non Debtor Affiliate	Magnum Coal Company LLC	x		
Non Debtor Affiliate	Magnum Coal Sales LLC	x		
Debtors Officers/Directors	Magro, James N.	x		
Parties to the Debtors Significant Executory Contracts	Mariam Peak	x		
Other Significant Parties-in-Interest	Marsh USA	x		
Other Significant Parties-in-Interest	Martin, Marylou	x		
Other Significant Parties-in-Interest	Martinez, Anna M.	x		
Non Debtor Affiliate	Martinka Coal Company, LLC	x		
Other Significant Parties-in-Interest	Masumoto, Brian S.	x		
Other Significant Parties-in-Interest	Mazuma Capital Corp	x		
Debtors Directors Other Business Affiliation	MD Anderson Services Corporation	x		
Debtors Officers/Directors	Mead, Robert L.	x		
Other Significant Parties-in-Interest	Mendoza, Ercilia A.	x		
Debtors Other Professionals	Mercer		x	x
Other Significant Parties-in-Interest	Mercuria Energy Trading, Inc.			x
Debtors Other Professionals	Merrill Lynch		x	x
Other Significant Parties-in-Interest	Merrill Lynch Capital	x		
Other Significant Parties-in-Interest	Middletown Coke Company, LLC	x		
Non Debtor Affiliate	Midland Trail Energy LLC	x		
Parties to the Debtors Significant Executory Contracts	Midwest Coal Reserves of Ky., LLC	x		
Non Debtor Affiliate	Midwest Coal Resources II, LLC	x		
Debtors Officers/Directors	Millburg, Lawrence J.	x		
Parties to the Debtors Significant Executory Contracts	Miller-Gilman	x		
Debtors Other Professionals	Milliman	x		
Other Significant Parties-in-Interest	Mine Safety and Health Administration	x		
Other Significant Parties-in-Interest	Mitel Leasing, Inc.	x		
Other Significant Parties-in-Interest	MJB Consulting	x		
Parties to the Debtors Significant Executory Contracts	Mohler Lumber	x		
Other Significant Parties-in-Interest	Monk Mining	x		
Other Significant Parties-in-Interest	Monongahela Power Company	x		
Other Significant Parties-in-Interest	Monongalia County, WV	x		
All Secured Lenders Professional	Morgan Stanley			x
Other Significant Parties-in-Interest	Moroney, Mary V.	x		
Debtors Other Professionals	Morris, Nichols, Arsht & Tunnell LLP		x	
Other Significant Parties-in-Interest	Morrissey, Richard C.	x		
Other Significant Parties-in-Interest	Motion Industries, Inc.	x		
Other Significant Parties-in-Interest	Mountain State Carbon, LLC	x		
Non Debtor Affiliate	Mountain View Coal Company, LLC	x		
Other Significant Parties-in-Interest	Mountaineer Gas	x		
Parties to the Debtors Significant Executory Contracts	Mounts & Dannheiser, LLC	x		
Other Significant Parties-in-Interest	Nadkarni, Joseph	x		
Other Significant Parties-in-Interest	Nakano, Serene	x		
Other Significant Parties-in-Interest	National Fire Insurance	x		

CategoryName	PartyName	No Connection	Prior Connection	Current Connection
Other Significant Parties-in-Interest	National Fire Insurance Company of Hartford	x		
Other Significant Parties-in-Interest	National Union Fire Ins	x		
Other Significant Parties-in-Interest	Nations Fund I, Inc.	x		
Debtors Other Professionals	Natixis Securities Americas LLC	x		
All Secured Lenders Professional	Natixis, New York Branch	x		
Debtors Other Professionals	Neal, Gerber & Eisenberg LLP	x		
Other Significant Parties-in-Interest	Nelson Brothers LLC	x		
Other Significant Parties-in-Interest	Neville Island Fuels Company, LLC	x		
Non Debtor Affiliate	New Trout Coal Holdings II, LLS	x		
Non Debtor Affiliate	Newtown Energy, Inc.	x		
Other Significant Parties-in-Interest	Nguyen, Savitri	x		
Other Significant Parties-in-Interest	Norfolk Southern		x	
Other Significant Parties-in-Interest	Norfolk Southern Railway Company	x		
Non Debtor Affiliate	North Page Coal Corp.	x		
Other Significant Parties-in-Interest	Occupational Safety and Health Administration	x		
Other Significant Parties-in-Interest	Office of Surface Mining Reclamation and Enforcement	x		
Debtors Directors Other Business Affiliation	Ogden, Gibson, Broocks, Longoria & Hall L.L.P.	x		
Debtors Other Professionals	Ogletree Deakins	x		
All Secured Lenders Attorney	Ogletree, Deakins, Nash, Smoak & Stewart, P.C.	x		
Non Debtor Affiliate	Ohio County Coal Company, LLC	x		
Other Significant Parties-in-Interest	Ohio Department of Natural Resources	x		
Other Significant Parties-in-Interest	Ohio Valley Answering Service	x		
Other Significant Parties-in-Interest Material Lit	Ohio Valley Environmental Coalition, Inc.	x		
Debtors Directors Other Business Affiliation	Oklahoma Conference for Community & Justice	x		
Other Significant Parties-in-Interest	Old Republic Insurance		x	x
Debtors Other Professionals	Oliver Wyman	x		
Other Significant Parties-in-Interest	ONC	x		
Other Significant Parties-in-Interest	Owensboro Municipal Utilities	x		
Other Significant Parties-in-Interest	Pacific Employers Insurance Company	x		
Non Debtor Affiliate	Panther LLC	x		
Parties to the Debtors Significant Executory Contracts	Pardee			x
Non Debtor Affiliate	Patriot Beaver Dam Holdings, LLC	x		
Non Debtor Affiliate	Patriot Coal Company, L.P.			x
Debtor	Patriot Coal Corporation	x		
Non Debtor Affiliate	Patriot Coal Receivables (SPV), Ltd.	x		
Non Debtor Affiliate	Patriot Coal Sales LLC	x		
Non Debtor Affiliate	Patriot Coal Services LLC	x		
Non Debtor Affiliate	Patriot Leasing Company LLC	x		
Non Debtor Affiliate	Patriot Midwest Holdings, LLC	x		
Non Debtor Affiliate	Patriot Reserve Holdings, LLC	x		
Non Debtor Affiliate	Patriot Trading LLC	x		
Non Debtor Affiliate	Patriot Ventures LLC	x		
Parties to the Debtors Significant Executory Contracts	Payne Gallatin	x		
Non Debtor Affiliate	PCX Enterprises, Inc.	x		
Other Significant Parties-in-Interest	Peabody COALTRADE, LLC	x		

CategoryName	PartyName	No Connection	Prior Connection	Current Connection
All Substantial Unsecured Bondholder or Lender	Peabody Energy Corp.			x
Other Significant Parties-in-Interest	Peabody Energy Corp.			x
Non Debtor Affiliate	Peabody Holding Company, Inc.			x
Other Significant Parties-in-Interest	Peabody Terminals, LLC	x		
Other Significant Parties-in-Interest	PEC Equipment Company, LLC (Peabody)	x		
Parties to the Debtors Significant Executory Contracts	Penn Virginia f/k/a Penn Virginia Operating Co., LLC			x
Other Significant Parties-in-Interest	Penn Virginia Resource Partners, L.P.	x		
Other Significant Parties-in-Interest	Pennsylvania Department of Environmental Protection	x		
Other Significant Parties-in-Interest	People's Capital and Leasing Corp.	x		
Other Significant Parties-in-Interest	Petroleum Products Inc.		x	
Other Significant Parties-in-Interest	Phillips Machine Service Inc.	x		
Debtors Directors Other Business Affiliation	Phillips Theological Seminary	x		
Non Debtor Affiliate	Pine Ridge Coal Company, LLC	x		
All Substantial Unsecured Bondholder or Lender	PNC	x		
All Secured Lenders Professional	PNC Bank			x
Debtors Other Professionals	PNC Capital Markets, LLC	x		
Parties to the Debtors Significant Executory Contracts	Pocahontas Land	x		
Non Debtor Affiliate	Pond Creek Land Resources, LLC	x		
Non Debtor Affiliate	Pond Fork Processing LLC	x		
Debtors Directors Other Business Affiliation	Port of Houston Authority	x		
Other Significant Parties-in-Interest	Porter, Carol A.	x		
Parties to the Debtors Significant Executory Contracts	Potter Family, LLC	x		
Parties to the Debtors Significant Executory Contracts	Potter Grandchildren, LLC	x		
Other Significant Parties-in-Interest	PowerSouth Energy Cooperative	x		
Other Significant Parties-in-Interest	PPL EnergyPlus, LLC	x		
Debtors Other Professionals	PricewaterhouseCoopers LLP			x
Other Significant Parties-in-Interest	Prime Alliance Bank	x		
Other Significant Parties-in-Interest	Production Adjustment	x		
Other Significant Parties-in-Interest	Progress Energy Carolinas, Inc.		x	
Debtors Other Professionals	Protiviti	x		
Other Significant Parties-in-Interest	Q Wireless LLC	x		
Debtors Directors Other Business Affiliation	QuikTrip Corporation		x	x
Parties to the Debtors Significant Executory Contracts	Quincy Center	x		
Other Significant Parties-in-Interest	Raleigh Mine & Industrial Supply	x		
Debtors Directors Other Business Affiliation	Ranken Technical College	x		
All Secured Lenders Professional	Raymond James Bank	x		
Other Significant Parties-in-Interest	RBS Asset Finance, Inc.	x		
Other Significant Parties-in-Interest	Rea Energy Cooperative Inc	x		
Other Significant Parties-in-Interest	Reiss Viking Division	x		
Other Significant Parties-in-Interest	Relco Finance, Inc.	x		
Other Significant Parties-in-Interest	Relco Finance, Inc.	x		

CategoryName	PartyName	No Connection	Prior Connection	Current Connection
Debtors Directors Other Business Affiliation	Remington Arms Company, Inc.		x	
Non Debtor Affiliate	Remington Holdings LLC	x		
Non Debtor Affiliate	Remington II LLC	x		
Non Debtor Affiliate	Remington LLC	x		
Other Significant Parties-in-Interest	Renaissance Capital Alliance	x		
Debtors Directors Other Business Affiliation	Renewable Energy Group, Inc.	x		
Other Significant Parties-in-Interest	Republic Bank, Inc.		x	
Other Significant Parties-in-Interest	Republic Services			x
Non Debtor Affiliate	Rhino Eastern LLC	x		
Other Significant Parties-in-Interest	Rhino Energy WV LLC	x		
Other Significant Parties-in-Interest	Riffkin, Linda A.	x		
Other Significant Parties-in-Interest	Rish Equipment	x		
Other Significant Parties-in-Interest	Rish Equipment Company	x		
Other Significant Parties-in-Interest	Ritchie Bros. Auctioneers (America) Inc.	x		
Other Significant Parties-in-Interest	River Trading Company	x		
Non Debtor Affiliate	Rivers Edge Mining, Inc.	x		
Debtors Directors Other Business Affiliation	RLI Corp.	x		
Non Debtor Affiliate	Robin Land Company, LLC	x		
Debtors Other Professionals	Robinson & McElwee, PLLC	x		
Parties to the Debtors Significant Executory Contracts	Rowland Land	x		
Debtors Other Professionals	RR Donnelly		x	x
Other Significant Parties-in-Interest	RSUI	x		
Other Significant Parties-in-Interest	Rudd Equipment Company	x		
Other Significant Parties-in-Interest	RWE Trading Americas Inc.			x
Other Significant Parties-in-Interest	RWMV, LLC	x		
All Secured Lenders Professional	RZB Bank	x		
Debtors Directors Other Business Affiliation	Saint Louis University	x		
Debtors Other Professionals	Sandberg Phoenix & Von Gontard P.C.	x		
Other Significant Parties-in-Interest	Sandvik Mining and Construction	x		
Debtors Other Professionals	Santander Investment Securities, Inc.	x		
Debtors Officers/Directors	Scharf, Michael M.	x		
Debtors Officers/Directors	Schnapp, Paul A.	x		
Debtors Officers/Directors	Schroeder, Mark N.	x		
Other Significant Parties-in-Interest	Schwartz, Andrea B.	x		
Other Significant Parties-in-Interest	Schwartzberg, Paul K.	x		
Other Significant Parties-in-Interest	Segreto, John	x		
Other Significant Parties-in-Interest	Selah Corp.	x		
Other Significant Parties-in-Interest Material Lit	Sentrum Holdings Limited	x		
Non Debtor Affiliate	Sentry Mining, LLC	x		
Debtors Other Professionals	SG Americas Securities, LLC	x		
Other Significant Parties-in-Interest	SG Equipment Finance USA Corp	x		
Other Significant Parties-in-Interest	Sharp, Sylvester	x		
Other Significant Parties-in-Interest	Shenango Inc.	x		
Parties to the Debtors Significant Executory Contracts	Shepard Boone	x		
Other Significant Parties-in-Interest	Shinewarm Resources (HK) Group Limited	x		

CategoryName	PartyName	No Connection	Prior Connection	Current Connection
Parties to the Debtors Significant Executory Contracts	Shonk	x		
Debtors Other Professionals	Shuman, McCuskey & Slicer, PLLC	x		
Other Significant Parties-in-Interest	Siemens Financial Services, Inc.	x		
Other Significant Parties-in-Interest Material Lit	Sierra Club	x		
Debtors Other Professionals	Smith Moore Leatherwood LLP	x		
Non Debtor Affiliate	Snowberry Land Company	x		
Debtors Other Professionals	SNR Denton	x		
Parties to the Debtors Significant Executory Contracts	So. Appalachian	x		
All Secured Lenders Professional	Societe Generale (SocGen)			x
Other Significant Parties-in-Interest	Somerset Capital Group, LTD	x		
Debtors Other Professionals	Sorling, Northrup, Hanna, Cullen & Cochran, Ltd.	x		
Other Significant Parties-in-Interest	SouthEastern Illinois Electric	x		
Other Significant Parties-in-Interest	Southern Company		x	x
Parties to the Debtors Significant Executory Contracts	Southern Dickinson	x		
Parties to the Debtors Significant Executory Contracts	Southern Land Co.	x		
All Secured Lenders Professional	Sovereign Bank	x		
Non Debtor Affiliate	Speed Mining LLC	x		
Non Debtor Affiliate	Squaw Creek Coal Company	x		
Parties to the Debtors Significant Executory Contracts	SRIR (Pocahontas Land)	x		
Other Significant Parties-in-Interest	State of Illinois		x	
Other Significant Parties-in-Interest Material Lit	State of Illinois; Illinois Attorney General's Office	x		
Other Significant Parties-in-Interest	State of Indiana	x		
Other Significant Parties-in-Interest	State of Missouri		x	
Other Significant Parties-in-Interest	State of Pennsylvania	x		
Other Significant Parties-in-Interest	State of West Virginia		x	
Other Significant Parties-in-Interest Material Lit	State of West Virginia		x	
Debtors Major Shareholder	State Street Corporation			x
Debtors Other Professionals	Steptoe & Johnson, PLLC			
Non Debtor Affiliate	Sterling Smokeless Coal Company, LLC	x		
Other Significant Parties-in-Interest	Suddenlink	x		
Debtors Other Professionals	Summit Strategies Group	x		
Other Significant Parties-in-Interest	SunCoke Energy		x	x
Other Significant Parties-in-Interest	Surety Bonding Company of America	x		
Other Significant Parties-in-Interest	Tangoe Inc	x		
Other Significant Parties-in-Interest	Tata Steel UK Limited	x		
Non Debtor Affiliate	TC Sales Company, LLC	x		
Non Debtor Affiliate	Tecumseh Coal Corporation	x		
Other Significant Parties-in-Interest	Telemax Services	x		
Parties to the Debtors Significant Executory Contracts	Tennessee Valley Authority			x
Debtors Directors Other Business Affiliation	Texas Medical Center			x
Debtors Other Professionals	The Blackstone Group LP			x
Other Significant Parties-in-Interest	The Continental Insurance Company	x		
Other Significant Parties-in-Interest	The Fifth Third Leasing Company	x		

CategoryName	PartyName	No Connection	Prior Connection	Current Connection
Debtors Directors Other Business Affiliation	The Hungary-Missouri Educational Partnership	x		
Other Significant Parties-in-Interest	The Huntington National Bank	x		
Non Debtor Affiliate	The Presidents Energy Company LLC	x		
All Secured Lenders Professional	The Private Bank	x		
Debtors Directors Other Business Affiliation	The Rumson Country Day School	x		
Other Significant Parties-in-Interest	The Vanguard Group		x	x
Debtors Major Shareholder	The Vanguard Group, Inc.		x	x
Debtors Other Professionals	Thompson Coburn		x	x
Non Debtor Affiliate	Thunderhill Coal LLC	x		
Other Significant Parties-in-Interest	ThyssenKrupp CSA Siderurgica	x		
Debtors Directors Other Business Affiliation	Tiger Woods Foundation	x		
Other Significant Parties-in-Interest	Time Warner Cable			x
Parties to the Debtors Significant Executory Contracts	Tommy Long	x		
Debtors Other Professionals	Towers Watson		x	x
Other Significant Parties-in-Interest	Trafigura AG			x
Other Significant Parties-in-Interest	Travelers Casualty	x		
Other Significant Parties-in-Interest	Travelers Casualty and Surety Company of America	x		
Non Debtor Affiliate	Trout Coal Holdings, LLC		x	
Other Significant Parties-in-Interest	U.S. Army Corps of Engineers	x		
Other Significant Parties-in-Interest Material Lit	U.S. Attorney's Office	x		
Other Significant Parties-in-Interest	U.S. Bureau of Alcohol, Tobacco, and Firearms	x		
Other Significant Parties-in-Interest	U.S. Bureau of Land Management	x		
Other Significant Parties-in-Interest	U.S. Department of Interior	x		
Other Significant Parties-in-Interest	U.S. Department of Labor	x		
Other Significant Parties-in-Interest	U.S. Steel Corp.		x	
All Secured Lenders Professional	UBS		x	x
Debtors Other Professionals	UBS Investment Bank	x		
Other Significant Parties-in-Interest	UMWA 1992 Benefit Plan	x		
Non Debtor Affiliate	Union County Coal Co., LLC	x		
Other Significant Parties-in-Interest	Union County Water District	x		
Other Significant Parties-in-Interest	Union County, KY	x		
Other Significant Parties-in-Interest	United Central Industrial Supply	x		
Other Significant Parties-in-Interest	United Leasing, Inc.	x		
Parties to the Debtors Significant Executory Contracts	United Mine Workers of America	x		
All Secured Lenders Professional	United Overseas Bank	x		
Other Significant Parties-in-Interest	Universal Surety Company of America	x		
Other Significant Parties-in-Interest	US Bancorp Equipment Finance, Inc.	x		
Other Significant Parties-in-Interest	US Cellular	x		
Other Significant Parties-in-Interest	US Surety Co	x		
Other Significant Parties-in-Interest	USIMINAS	x		
Debtors Directors Other Business Affiliation	UTIMCO	x		
Other Significant Parties-in-Interest	Valley Falls Public Service Dist	x		
Other Significant Parties-in-Interest	Vanomet International AG	x		
Other Significant Parties-in-Interest	Velez-Rivera, Andy	x		
Debtors Other Professionals	Veritas Consulting/Richard Verheij	x		

CategoryName	PartyName	No Connection	Prior Connection	Current Connection
Other Significant Parties-in-Interest	Verizon			x
Other Significant Parties-in-Interest	Verizon North	x		
Other Significant Parties-in-Interest	Veyance Industrial Services	x		
Debtors Officers/Directors	Viets, Robert O.	x		
Non Debtor Affiliate	Viper LLC	x		
Other Significant Parties-in-Interest	Vitol, Inc.		x	
Parties to the Debtors Significant Executory Contracts	Ward Heirs	x		
Other Significant Parties-in-Interest	Waste Management of WV, Inc.	x		
Non Debtor Affiliate	Weatherby Processing LLC	x		
Debtors Other Professionals	WebFilings			x
Other Significant Parties-in-Interest	Webster Trucking	x		
All Secured Lenders Attorney	Weil, Gotshal & Manges		x	
Other Significant Parties-in-Interest	West Penn Power Company	x		
Other Significant Parties-in-Interest	West Side Telecommunications	x		
Other Significant Parties-in-Interest	West Virginia American Water Co			
Other Significant Parties-in-Interest	West Virginia Department of Environmental Protection	x		
Other Significant Parties-in-Interest Material Lit	West Virginia Department of Environmental Protection	x		
Other Significant Parties-in-Interest Material Lit	West Virginia Highlands Conservancy, Inc.	x		
Other Significant Parties-in-Interest	West Virginia Office of Miners' & Health Safety & Training	x		
Other Significant Parties-in-Interest	Westchester Fire Insurance Company	x		
Other Significant Parties-in-Interest	Western Surety C.N.A.	x		
Other Significant Parties-in-Interest	Western Surety Company	x		
Other Significant Parties-in-Interest	Weston, Jennifer L.	x		
Parties to the Debtors Significant Executory Contracts	Westvarendrag	x		
Debtors Other Professionals	White & Risse	x		
Other Significant Parties-in-Interest	White River Coal Sales, Inc.	x		
Non Debtor Affiliate	White Stallion Coal, LLC	x		
Debtors Directors Other Business Affiliation	White Walnut Farms LLC	x		
Non Debtor Affiliate	Wildcat Energy LLC	x		
Non Debtor Affiliate	Wildcat, LLC	x		
Non Debtor Affiliate	Will Scarlet Properties LLC	x		
Parties to the Debtors Significant Executory Contracts	William H. Shields	x		
Other Significant Parties-in-Interest	Willis of Tennessee	x		
Debtors Other Professionals	Wilmington Trust Company		x	
Non Debtor Affiliate	Winchester LLC	x		
Other Significant Parties-in-Interest	Windstream			x
Non Debtor Affiliate	Winifrede Dock Limited Liability Company	x		
Other Significant Parties-in-Interest	Wire Rope Industries Ltd.	x		
Parties to the Debtors Significant Executory Contracts	WPP LLC	x		
Non Debtor Affiliate	WWMV, LLC	x		
Other Significant Parties-in-Interest	Xcoal Energy & Resources	x		
Other Significant Parties-in-Interest	XL	x		
Other Significant Parties-in-Interest	XL Specialty	x		
Other Significant Parties-in-Interest	XL UK	x		
Non Debtor Affiliate	Yankeetown Dock, LLC	x		

CategoryName	PartyName	No Connection	Prior Connection	Current Connection
Debtors Other Professionals	Zenon Environmental Corp d/b/a GE Water	x		
Debtors Other Professionals	Ziemer, Stayman, Weitzel & Shoulders, LLP	x		
Other Significant Parties-in-Interest	Zipes, Greg M.	x		
Other Significant Parties-in-Interest	Zug Island Fuels, LLC	x		
Other Significant Parties-in-Interest	Zurich			x

EXHIBIT 3

**Professionals That Have In The Past Provided
And/Or Are Currently Providing Services To EY LLP**

1. Davis Polk & Wardwell LLP: Has provided services in the past and is presently providing services.
2. AlixPartners: Has provided services in the past.
3. Arnold & Porter LLP: Has provided services in the past and is presently providing services.
4. Banc of America Securities: Has provided services in the past.
5. Bank of America Corporation: Has provided services in the past.
6. Barclays Capital: Has provided services in the past.
7. Bryan Cave LLP: Has provided services in the past.
8. Buchanan Ingersoll: Has provided services in the past.
9. Citibank N.A.: Has provided services in the past.
10. Cleary, Gottlieb, Steen & Hamilton LLP: Has provided services in the past.
11. Depository Trust and Clearing Corporation: Has provided services in the past.
12. Dinsmore & Shohl LLP: Has provided services in the past.
13. Greenberg & Traurig: Has provided services in the past and is presently providing services.
14. IBM: Has provided services in the past.
15. KPMG: Has provided services in the past.
16. Latham & Watkins LLP: Has provided services in the past and is presently providing services.
17. Mercer: Has provided services in the past and is presently providing services.
18. Merrill Lynch: Has provided services in the past and is presently providing services.
19. Millman: Has provided services in the past.

20. Morris Nichols Arsht & Tunnell LLP: Has provided services in the past.
21. Neal Gerberg & Eisenberg LLP: Has provided services in the past and is presently providing services.
22. PriceWaterhouseCoopers LLP: Has provided services in the past and is presently providing services.
23. Proviti: Has provided services in the past.
24. SNR Denton: Has provided services in the past.
25. Steptoe & Johnson: Has provided services in the past.
26. Thompson Coburn: Has provided services in the past.
27. Weil Gotshal: Has provided services in the past.

EXHIBIT 4

Litigation Parties in Interest

1. American International Group, Inc.; AIG Global Real Estate Asia Pacific, Inc.; AIG Global Real Estate investment Corp.; AIG Investment Corporation; AIG Capital Corporation; AIG Global Asset Management Holdings Corp.: are co-defendants with, among others, EY LLP in an action pending in the Superior Court of the State of Delaware in and for New Castle County (CA No: N10C-10-013).
2. Banc of America Securities LLC: is a co-defendant with, among others, EY LLP in: (a) actions pending in the United States District Court for the Southern District of New York (Case numbers: 09-2363; 09-3478; 09-6041 and 08-cv-5523); and (b) a litigation pending in the United States District Court for the Northern District of Georgia (Civil Action No. 1-09-CV-01185).
3. Barclays Capital Inc.: is a co-defendant with, among others, EY LLP in an action pending in the United States District Court for the Middle District of Tennessee Nashville Division (Civil Action No: 3:11-cv-1170).
4. Citigroup Global Markets, Inc; Citigroup Inc: are co-defendants with, among others, EY LLP in: (a) a litigation pending in the State of New Mexico County of Santa Fe First Judicial District Court (No: D-101-CV-2008-01895); (b) a litigation pending in the United States District Court for the Northern District of Georgia (Case No: 1-09-CV-01185); and (c) litigation pending in the United States District Court for the Southern District of New York (Civ. No. 09-2363; Civ. No. 1:09-cv-6041; Civ. No. 1:09-cv-3478; Civ. No: 9-1946; Civ. No: 1:08cv5523; and Civ. No: 09-07878).
5. KPMG: is a co-defendant with, among others, EY LLP in actions pending in the United States District Court for the Southern District of New York (Case numbers: No: 1:11cv1284 and 1:11cv1283).
6. Merrill Lynch Pierce Fenner & Smith Inc: is a co-defendant with, among others, EY LLP in: (a) actions pending in the United States District Court for the Southern District of New York (Case numbers: 09-2363 and 08-cv-5523); (b) a litigation pending in the United States District Court for the Northern District of Georgia (Case No: 1-09-CV-01185); (c) a litigation pending in the State of New Mexico County of Santa Fe First Judicial District Court (No: D-101-CV-2008-01895); and (d) an action pending in the United States Circuit Court for the Middle District of Tennessee Nashville Division (Civil Action No: 3:11-cv-1170).
7. Morgan Stanley & Co and Morgan Stanley Dean Witter & Co: are co-defendants with, among others, EY LLP in: (a) a litigation pending in Appeal from Circuit Court of Cook County (02CH 16854); (b) litigation pending in the United States District Court for the Southern District of New York (1:09-cv-2363 and Civ. No:

- 1:08cv5523); (c) a litigation pending in the United States District Court for the Northern District of Georgia (Case No: 1-09-CV-01185); (d) a litigation pending in the United States District Court for the District of Massachusetts (Master File No: 09-cv-12146); and (e) an action pending in the United States Circuit Court for the Middle District of Tennessee Nashville Division (Civil Action No: 3:11-cv-1170).
8. Natixis Bleichroeder Inc: is a co-defendant with, among others, EY LLP in a litigation pending in the United States District Court for the Southern District of New York (Civ. No: 1:08cv5523)
 9. PricewaterhouseCoopers: is a co-defendant with, among others, EY LLP in (a) a litigation pending in the State of New Mexico County of Santa Fe First Judicial District Court (No: D-101-CV-2008-01895); (b) a litigation pending in the in the Supreme Court of British Columbia (Vancouver) (S-114999); and (c) a litigation pending in the United States Circuit Court of Appeals for the Second Circuit (Case No: 12-156).
 10. Raymond James: Raymond James & Associates is a co-defendant with, among others, EY LLP in: (a) a litigation pending in the United States District Court for the Southern District of New York (Civ. No: 1:08cv5523) and (b) an action pending in the United States Circuit Court for the Middle District of Tennessee Nashville Division (Civil Action No: 3:11-cv-1170).
 11. Santander Investment Securities Inc: is a co-defendant with, among others, EY LLP in a litigation pending in the United States District Court for the Southern District of New York (Civ. No: 1:08cv5523)
 12. Societe Generale Corporate and Investment Banking: is a co-defendant with, among others, EY LLP in a litigation pending in the United States District Court for the Southern District of New York (Civ. No: 1:08cv5523).
 13. Sovereign Securities Corporation, LLC; is a co-defendant with, among others, EY LLP in a litigation pending in the United States District Court for the Southern District of New York (Civ. No: 1:08cv5523).
 14. State Street Corporation: is a co-defendant with, among others, EY LLP in a litigation pending in the United States District Court for the District of Massachusetts (Master File No: 09-cv-12146).
 15. UBS Investment Bank; UBS Securities LLC: is a co-defendant with, among others, EY LLP in: (a) litigation pending in the United States District Court for the Northern District of Georgia (Case No: 1-09-CV-01185; Civ. No. 09-2363; and Case No: 1:08-cv-5523) (b) a litigation pending in the State of New Mexico County of Santa Fe First Judicial District Court (No: D-101-CV-2008-01895); (c) an action pending in the United States District Court for the District of Massachusetts (Master File No:

09-cv-12146); and (d) an action pending In the Circuit Court of Jefferson County,
Alabama (01-cv-2003-002023.00).