

**CURTIS, MALLET-PREVOST,
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Steven J. Reisman
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*Conflicts Counsel for the Debtors and
Debtors in Possession*

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

| | | | |
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| |) | | |
| In re: |) |) | Chapter 11 |
| |) |) | |
| PATRIOT COAL CORPORATION, <i>et al.</i> , ¹ |) |) | Case No. 12-12900 (SCC) |
| |) |) | |
| Debtors. |) |) | Jointly Administered |
| |) |) | |

**SUMMARY OF THE FIRST INTERIM APPLICATION OF CURTIS, MALLET-
PREVOST, COLT & MOSLE LLP, AS CONFLICTS COUNSEL FOR THE DEBTORS
AND DEBTORS IN POSSESSION, FOR ALLOWANCE AND PAYMENT OF
COMPENSATION FOR PROFESSIONAL SERVICES RENDERED AND FOR
REIMBURSEMENT OF ACTUAL AND NECESSARY EXPENSES
INCURRED FROM JULY 9, 2012 THROUGH SEPTEMBER 30, 2012**

¹ The names of the Debtors in these cases are identified in the declaration of Senior Vice President and Chief Financial Officer Mark N. Schroeder of Patriot Coal Corporation in support of the Debtors' "first day" pleadings [Docket No. 4, Ex. 1], dated July 9, 2012.

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| NAME OF APPLICANT: | <u>CURTIS, MALLET-PREVOST, COLT & MOSLE LLP</u> |
| AUTHORIZED TO PROVIDE PROFESSIONAL SERVICES TO: | <u>PATRIOT COAL CORPORATION., ET AL. DEBTORS AND DEBTORS IN POSSESSION</u> |
| DATE CASE FILED: | <u>JULY 9, 2012</u> |
| DATE OF RETENTION: | <u>ORDER ENTERED ON AUGUST 2, 2012, RETAINING CURTIS, MALLET-PREVOST, COLT & MOSLE LLP <i>NUNC PRO TUNC</i> TO JULY 9, 2012 [DOCKET NO. 266]</u> |
| PERIOD FOR WHICH COMPENSATION AND REIMBURSEMENT IS SOUGHT: | <u>JULY 9, 2012 THROUGH AND INCLUDING SEPTEMBER 30, 2012</u> |
| AMOUNT OF COMPENSATION SOUGHT AS ACTUAL, REASONABLE AND NECESSARY: | <u>\$87,462.45²</u> |
| AMOUNT OF EXPENSE REIMBURSEMENT SOUGHT AS ACTUAL, REASONABLE AND NECESSARY: | <u>\$693.75</u> |
| TOTAL COMPENSATION AND EXPENSE REIMBURSEMENT REQUESTED: | <u>\$88,156.20</u> |
| TOTAL COMPENSATION AND EXPENSES PREVIOUSLY REQUESTED AND AWARDED: | <u>NONE</u> |
| BLENDED RATE OF PROFESSIONALS AND PARAPROFESSIONALS: | <u>\$388.55</u> |
| BLENDED RATE OF PROFESSIONALS: | <u>\$458.09</u> |

² This amount incorporates a voluntary reduction in the amount of \$11,282.05, which Curtis has provided as an accommodation to the Debtors.

Hearing Date: Dec 18, 2012 at 10:00 a.m. (ET)
Objection Deadline: Nov. 26, 2012 at 4:00 p.m. (ET)

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COLT & MOSLE LLP**

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

| | | |
|---|---|-------------------------|
| In re: |) | Chapter 11 |
| PATRIOT COAL CORPORATION, <i>et al.</i> , |) | Case No. 12-12900 (SCC) |
| Debtors. |) | Jointly Administered |

**FIRST INTERIM APPLICATION OF CURTIS, MALLET-PREVOST,
COLT & MOSLE LLP, AS CONFLICTS COUNSEL FOR THE DEBTORS AND
DEBTORS IN POSSESSION, FOR ALLOWANCE AND PAYMENT OF
COMPENSATION FOR PROFESSIONAL SERVICES RENDERED AND FOR
REIMBURSEMENT OF ACTUAL AND NECESSARY EXPENSES
INCURRED FROM JULY 9, 2012 THROUGH SEPTEMBER 30, 2012**

Curtis, Mallet-Prevost, Colt & Mosle LLP (“**Curtis**”), conflicts counsel for Patriot Coal Corporation (“**Patriot Coal**”) and certain of its affiliates, as debtors and debtors in possession (collectively, the “**Debtors**”) in the above-captioned chapter 11 cases (the “**Chapter 11 Cases**”), respectfully submits this first interim fee application (the “**Application**”) pursuant to Sections 328, 330(a), 331 and 503(b) of title 11 of the United States Code (the “**Bankruptcy Code**”); Rule 2016 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”), Rule 2016-1 of the Local Bankruptcy Rules for the Southern District of New York (the “**Local Bankruptcy Rules**”) and the *Order to Establish Procedures for Interim Monthly Compensation and Reimbursement of Expenses of Professionals* [Docket No. 262] (the “**Interim Compensation**

Order”) for (a) interim allowance and approval of compensation in the aggregate amount of \$87,462.45 for professional services performed and the reimbursement of actual and necessary expenses in the aggregate amount of \$693.75 incurred by Curtis during the period from July 9, 2012 through September 30, 2012 (the “**First Interim Fee Period**”) and (b) payment of the unpaid portion of such allowed fees and expenses. In support of the Application, Curtis respectfully states as follows¹:

Jurisdiction

1. This Court has jurisdiction over this matter pursuant to 28 U.S.C. § 1334. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2).
2. Venue in the Court is proper pursuant to 28 U.S.C. § 1408.
3. The bases for the relief requested herein are Sections 328, 330, 331 and 503(b) of the Bankruptcy Code, Bankruptcy Rule 2016 and Local Bankruptcy Rule 2016-1.

Compliance with the Guidelines

4. The Application was prepared in accordance with (a) the Order Establishing Procedures for Monthly Compensation and Reimbursement of Expenses of Professionals established and adopted by the United States Bankruptcy Court for the Southern District of New York pursuant to General Order M-388 (“**General Order M-388**”) and the Amended Guidelines for Fees and Disbursements for Professionals in Southern District of New York Bankruptcy Cases established and adopted by the Court pursuant to General Order M-389 (“**General Order M-389**”) and, together with General Order M-388, collectively, the “**Local Guidelines**”), (b) the United States Trustee Guidelines for Reviewing Applications for Compensation and

¹ As to contested matters, existing litigation, or possible additional litigation to be brought by, or against, the Debtors, adversary proceedings, and other actions or threatened actions, this Application shall not constitute or be construed as an admission of any fact or any issue of liability, nor shall it constitute a stipulation, or a waiver, but rather a statement made without prejudice to the Debtors’ rights and interests in these Chapter 11 Cases.

Reimbursement of Expenses Filed under 11 U.S.C. § 330, adopted on January 30, 1996 (the “**UST Guidelines**”), and (c) the Interim Compensation Order (together with the Local Guidelines and the UST Guidelines, collectively, the “**Guidelines**”).

5. Pursuant to and consistent with the relevant requirements of the Guidelines, as applicable, the following exhibits are attached hereto:

- a. **Exhibit A** contains a certification by undersigned counsel regarding compliance with the Guidelines (the “**Certification**”);
- b. **Exhibit B** contains a list of Curtis’ project categories, in accordance with the activity codes recommended by the Guidelines, and the total billed to each category for the First Interim Fee Period;
- c. **Exhibit C** contains a billing summary for the First Interim Fee Period that includes the name of each attorney and paraprofessional for whose work compensation is sought, each attorney’s year of bar admission and area of practice concentration, the aggregate time expended by each professional and each paraprofessional and the corresponding hourly billing rate at Curtis’ current billing rates and an indication of the individual amounts requested as part of the Application; and
- d. **Exhibit D** contains a summary of Curtis’ total actual and necessary out-of-pocket expenses and disbursements during the First Interim Fee Period.

Disclosure of Compensation and Requested Award

6. Curtis files the Application seeking (a) allowance of compensation for professional services rendered to the Debtors during the First Interim Fee Period in the aggregate amount of \$87,462.45 and reimbursement of actual expenses incurred in connection with the rendition of such services in the aggregate amount of \$693.75, for a total request of \$88,156.20 and (b) payment of the unpaid portion of such allowed fees and expenses.

7. During the First Interim Fee Period, as a courtesy to the Debtors, Curtis voluntarily reduced its fees by \$11,282.05. This reduction incorporates both a discount of 10% to Curtis’ standard hourly billing rates and a deduction of all time incurred by legal interns.

8. Curtis has caused to be served three monthly fee statements covering the First Interim Fee Period in accordance with the Interim Compensation Order.² Pursuant to the Interim Compensation Order, the July, August, and September 2012 Monthly Fee Statements have been served by hand or overnight delivery on: (a) the Debtors; (b) the Office of the United States Trustee for the Southern District of New York (the “**U.S. Trustee**”); (c) lead bankruptcy counsel to the Debtors; (d) counsel for the administrative agent for the Debtors’ postpetition lenders; and (e) counsel to the official committee of unsecured creditors appointed in these Chapter 11 Cases (the “**Creditors’ Committee**”). As of the date hereof, Curtis has not received any objections to the July, August or September 2012 Monthly Fee Statements.³

9. Pursuant to the Interim Compensation Order, Curtis has received a total of \$40,614.48 for legal services provided to the Debtors during the First Interim Fee Period and \$80.98 for expenses incurred in connection therewith. These amounts represent 80% of Curtis’ legal fees and 100% of out-of-pocket expenses incurred and submitted by Curtis for the July and August 2012 Monthly Fee Statements.

10. By this Application, Curtis seeks payment of the remaining \$47,460.74, which amount represents (a) the Court-ordered 20% holdback of Curtis’ requested fees with respect to

² See *Monthly Fee Statement of Curtis, Mallet-Prevost, Colt & Mosle LLP for Professional Services and Disbursements for the Period of July 9, 2012 Through and Including July 31, 2012* [Docket No. 572] (the “**July 2012 Monthly Fee Statement**”); *Monthly Fee Statement of Curtis, Mallet-Prevost, Colt & Mosle LLP for Professional Services and Disbursements for the Period of August 1, 2012 Through and Including August 31, 2012* [Docket No. 1397] (the “**August 2012 Monthly Fee Statement**”); and *Monthly Fee Statement of Curtis, Mallet-Prevost, Colt & Mosle LLP for Professional Services and Disbursements for the Period of September 1, 2012 Through and Including September 30, 2012* [Docket No. 1552] (the “**September 2012 Monthly Fee Statement**” and, collectively, the “**Monthly Fee Statements**”).

³ The deadline to object to Curtis’ September 2012 Monthly Fee Statement is November 26, 2012.

the July 2012 and August 2012 Monthly Fee Statements, and (b) the total amount of fees and expenses requested with respect to the September 2012 Monthly Fee Statement.⁴

11. The fees sought in the Application reflect an aggregate of 225.1 hours expended by Curtis professionals and paraprofessionals during the First Interim Fee Period rendering necessary and beneficial legal services to the Debtors at a blended average hourly rate, after accounting for voluntary reductions, of \$388.55 for both attorneys and paraprofessionals (or \$458.09 for attorneys only). Curtis maintains computerized records of the time expended in the performance of the professional services required by the Debtors and their estates.⁵ These records are maintained in the ordinary course of Curtis' practice.

12. The hourly rates and corresponding rate structure utilized by Curtis in these Chapter 11 Cases, before the 10% reduction that Curtis has applied as an accommodation to the Debtors, are equivalent to the hourly rates and corresponding rate structure used by Curtis for restructuring, workout, bankruptcy, insolvency and comparable matters and similar complex corporate, securities and litigation matters whether in court or otherwise, regardless of whether a fee application is required. The base rates and rate structure reflect that Curtis' matters are typically national in scope and involve great complexity, high stakes and severe time pressures.

13. Curtis' hourly rates are set at a level designed to compensate Curtis fairly for the work of its attorneys and paraprofessionals and to cover fixed expenses. Hourly rates vary with the experience and seniority of the individuals assigned. These hourly rates are subject to

⁴ Curtis will not seek payment pursuant to the September 2012 Monthly Fee Statement until the applicable objection deadline expires on November 26, 2012.

⁵ Detailed time records were filed with the Monthly Fee Statements.

periodic adjustments to reflect economic and other conditions and are consistent with the rates charged elsewhere.⁶

14. Curtis regularly reviews its bills to ensure that the Debtors are only billed for services that were actual and necessary. Moreover, in accordance with the Guidelines, Curtis regularly reduces its expenses, particularly expenses related to travel and overtime meals.

15. The Application is Curtis' first interim request for compensation for services rendered and reimbursement of expenses incurred as counsel to the Debtors. During the First Fee Period, other than pursuant to the Interim Compensation Order, Curtis has received no payment or promises of payment from any source for services rendered or to be rendered in any capacity whatsoever in connection with the matters covered by this Application. No understanding exists between Curtis and any other person for the sharing of compensation sought by Curtis, except among the partners of Curtis.

Background

16. On July 9, 2012 (the "**Petition Date**"), each of the Debtors filed a petition with this Court under Chapter 11 of the Bankruptcy Code. Throughout the Chapter 11 Cases, the Debtors have operated their businesses and managed their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. On July 10, 2012, the Court entered an order authorizing the joint administration and procedural consolidation of these Chapter 11 Cases pursuant to Bankruptcy Rule 1015(b). On July 18, 2012, the U.S. Trustee appointed the Creditors' Committee pursuant to sections 1102(a) and 1102(b) of the Bankruptcy

⁶ Curtis' standard hourly rates increased effective September 1, 2012. Per the terms of the Retention Order (defined herein), prior to any increase in Curtis' rates, Curtis is required to file a supplemental affidavit (the "**Supplemental Rate Affidavit**") with the Court and provide ten business days' notice to the Debtors, the U.S. Trustee and any official committee appointed in these chapter 11 cases. Curtis will not seek payment at the increased rates until the Supplemental Rate Affidavit has been filed and all related procedures under the Retention Order have been complied with.

Code. No trustee or examiner has been appointed in these Chapter 11 Cases. On November 15, 2012 the Court entered an Order extending the Debtors' exclusive periods within which to file a plan of reorganization and solicit votes thereon to May 5, 2013 and July 4, 2013, respectively.

17. On August 2, 2012, the Court entered the *Order Authorizing the Employment and Retention of Curtis, Mallet-Prevost, Colt & Mosle LLP as Conflicts Counsel for the Debtors and Debtors in Possession Nunc Pro Tunc to the Petition Date* [Docket No. 266] (the "**Retention Order**"), approving the Debtors' employment and retention of Curtis as conflicts counsel *nunc pro tunc* to the Petition Date. Pursuant to the Retention Order, Curtis is authorized to be compensated on an hourly basis for professional services rendered to the Debtors and reimbursed for actual and necessary expenses incurred by Curtis in connection therewith. Among other things, Curtis was retained to render professional services to the Debtors for certain discrete matters where the Debtors' primary counsel, Davis, Polk & Wardell LLP ("**Davis Polk**"), is unable to act as a result of an actual or potential conflict of interest.

18. Since its retention, Curtis has coordinated its efforts with attorneys from Davis Polk so that the work it performed was complementary and not duplicative of the work performed by Davis Polk. Curtis has substantial experience in working as conflicts counsel to debtors in other cases previously pending before courts in this district. *See, e.g., In re Residential Capital, LLC, et al.*, Case No. 12-12020, *In re Hawker Beechcraft, Inc., et al.*, Case No. 12-11873, *In re Sbarro, Inc., et al.*, Case No. 11-11527, *In re FGIC Corp.*, Case No. 10-14215, *In re Lear Corp.*, Case No. 09-14326, *In re Charter Communications, Inc.*, Case No. 09-11435, *In re CIT Group, Inc., et al.*, Case No. 09-16565, *In re Readers' Digest Association, Inc., et al.*, Case No. 09-23529, *In re Star Tribune Holdings Corporation, et al.*, Case No. 09-10244, *In re Lehman Bros. Holdings, Inc.*, Case No. 08-13555, *In re Silicon Graphics, Inc.*, Case No.

06-10977, *In re Musicland Holding Corp.*, Case No. 06-10064, *In re Calpine Corp.*, Case No. 05-60200, *In re Northwest Airlines Corp.*, Case No. 05-17930, *In re Parmalat Finanziaria S.p.A.*, Case No. 04-14268, and *In re Lodgian, Inc.*, Case No. 01-16345. As a result of these experiences and the continued efforts of Davis Polk and Curtis to coordinate the performance of necessary legal services for the Debtors, the assignment of tasks was maintained efficiently and with a clear delineation of duties.

19. The work encompassed by this Application for which Curtis seeks allowance of compensation was performed efficiently and at a reasonable cost to the estate. All of the work summarized in this Application was performed in a manner to avoid duplication and to keep administration expenses to a minimum.

Summary of Professional Services Rendered

20. To provide a meaningful summary of services rendered on behalf of the Debtors and their estates, Curtis has established, in accordance with the Guidelines and its internal billing procedures, various matter numbers to best categorize the services rendered by Curtis. During the First Interim Fee Period, Curtis rendered professional services in connection with these Chapter 11 Cases for the following matter numbers:

| Matter No. | Matter Description |
|------------|---|
| 100 | Case Administration |
| 200 | General Corporate Matters |
| 330 | Contracts/Leases Assumption and Rejection |
| 410 | Adversary Proceedings and Contested Matters |
| 440 | Hearings and Court Matters |
| 700 | Curtis Retention |
| 800 | Curtis Monthly Billing Statements |

21. The following is a summary, by matter number, of the professional services rendered by Curtis during the First Interim Fee Period. This summary is organized in accordance with Curtis' internal system of matter numbers. The detailed descriptions set forth in the

Monthly Fee Statements demonstrate that Curtis was involved in performing services for the Debtors on a regular basis to meet the Debtors' needs, with respect to conflict matters, in these Chapter 11 Cases.⁷

A. Case Administration (Matter No. 100)

Total Fees: \$18,535.50
Total Hours: 42.6

22. A total of 42.6 hours of services were performed and Curtis is seeking allowance of \$18,535.50 in fees. This matter covers services undertaken by Curtis attorneys and paraprofessionals in the general administration of the Debtors' Chapter 11 Cases. During the First Interim Fee Period, to fulfill its role as conflicts counsel, Curtis attorneys remained apprised of matters for which Davis Polk had, or may potentially have had, a conflict of interest. Such services rendered by Curtis professionals in connection with case administration tasks included monitoring the case docket for pleadings with potential conflicts implications and maintaining a calendar of critical dates in the Debtors' chapter 11 cases.

B. General Corporate Matters (Matter No. 200)

Total Fees: \$1,030.50
Total Hours: 2.2

23. A total of 2.2 hours of services were performed and Curtis is seeking allowance of \$1,030.50 in fees. During the First Interim Fee Period, Curtis attorneys reviewed issues in connection with the Debtors' prepetition financing and other corporate matters.

⁷ This summary of services rendered during the First Interim Fee Period is not intended to be a detailed or exhaustive description of the work performed by Curtis but, rather, is intended to highlight certain key areas where Curtis provided services to the Debtors during the First Interim Fee Period. A summary description of the work performed during the First Interim Fee Period, and those day-to-day services and the time expended in performing such services, is set forth in the Monthly Fee Statements.

C. Contracts/Leases Assumption and Rejection (Matter No. 330)

Total Fees: \$36,747.45
Total Hours: 93.7

24. A total of 93.7 hours of services were performed and Curtis is seeking allowance of \$36,747.45 in fees. This matter covers all services rendered by Curtis attorneys relating to assuming and rejecting executory contracts and unexpired leases under section 365 of the Bankruptcy Code. Such services included filing multiple omnibus rejection motions and notices in connection with nine equipment leases and four executory contracts of the Debtors, resolving objections and potential objections raised by various contract counterparties and equipment lessors, and coordinating with Davis Polk on rejection procedures.

D. Adversary Proceedings and Contested Matters (Matter No. 410)

Total Fees: \$3,062.70
Total Hours: 4.1

25. A total of 4.1 hours of services were performed and Curtis is seeking allowance of \$3,062.70 in fees. During the First Interim Fee Period, Curtis attorneys reviewed the pending motions to transfer venue filed by the United Mine Workers of America, certain sureties, and the U.S. Trustee, and other related pleadings.

E. Hearings and Court Matters (Matter No. 440)

Total Fees: \$14,473.80
Total Hours: 42.9

26. A total of 42.9 hours of services were performed and Curtis is seeking allowance of \$14,473.80 in fees. During the First Interim Fee Period, in connection with Curtis' role as conflicts counsel, Curtis attorneys prepared for and attended various court hearings on the Debtors' behalf, including the Debtors' first- and second-day hearings.

F. Curtis Retention (Matter No. 700)

Total Fees: \$9,345.15
Total Hours: 25.9

27. A total of 25.9 hours of services were performed and Curtis is seeking allowance of \$9,345.15 in fees. At the commencement of the Debtors' Chapter 11 Cases, Curtis prepared its application for retention as conflicts counsel, which included an extensive review of internal records for any conflicts or potential conflicts with respect to the Debtors' cases. Curtis also conferred with the U.S. Trustee during the preparation of its retention application. After filing its retention application, among other things, Curtis continued to review its internal records in connection with additional interested parties supplied by Davis Polk for any conflicts or potential conflicts.

G. Curtis Monthly Billing Statements (Matter No. 800)

Total Fees: \$4,267.35
Total Hours: 13.7

28. A total of 13.7 hours of services were performed and Curtis is seeking allowance of \$4,267.35 in fees. During the First Interim Fee Period, in accordance with the Interim Compensation Order, Curtis prepared required monthly fee statements and related materials.

Reasonable and Necessary Services Rendered by Curtis

29. The foregoing professional services rendered by Curtis on behalf of the Debtors during the First Interim Fee Period were reasonable, necessary and appropriate to the administration of the Debtors' Chapter 11 Cases and related matters.

30. Curtis has a prominent practice in the area of Restructuring and enjoys a national and international reputation for its expertise in financial reorganizations and restructurings of troubled companies. The attorneys at Curtis have represented either the debtor or the creditors' committee or have acted as conflicts/special counsel in many large chapter 11 cases. Overall,

Curtis brings to these Chapter 11 Cases a particularly high level of skill and knowledge, which inured to the benefit of the Debtors and all stakeholders.

31. During the First Interim Fee Application, Curtis advised and assisted the Debtors in matters for which Davis Polk may have a conflict of interest. To this end, as set forth in detail in **Exhibit C** of the Application, a number of Curtis' partners, associates and paraprofessionals expended time rendering professional services on behalf of the Debtors and its estates.

32. During the First Interim Fee Period, Curtis' hourly billing rates for the attorneys responsible for managing the Debtors' Chapter 11 Cases ranged from \$345 to \$860. Allowance of compensation in the amount requested would result in a blended hourly billing rate for attorneys of approximately \$458.09 (based on 225.1 recorded attorney hours, which number incorporates a 10% reduction to Curtis' standard hourly billing rates in effect at the time of the performance of services).

Actual and Necessary Expenses Incurred by Curtis

33. As set forth in **Exhibit D** attached hereto, Curtis has incurred a total of \$693.75 in expenses on behalf of the Debtors during the First Interim Fee Period. These charges are intended to cover Curtis' direct costs, such as photocopying and computer research, which are not incorporated into the Curtis hourly billing rates. Only clients who actually use services of the types set forth in **Exhibit D** of the Application are separately charged for such services. The effect of including such expenses as part of the hourly billing rates would impose that cost upon clients who do not require use of such services.

34. The time constraints imposed by the circumstances of these Chapter 11 Cases required Curtis attorneys and other employees to devote time during the evenings and on weekends to perform legal services on behalf of the Debtors. These services were essential to meet deadlines, timely respond to inquiries from various creditors and other stakeholders and to

satisfy the demands of the Debtors' businesses and ensure the orderly administration of their estates. Consistent with firm policy, as further disclosed in the Curtis Retention Application, attorneys and other Curtis employees who worked late in the evenings or on weekends were reimbursed for their reasonable meal expenses up to \$20 per meal and transportation costs.⁸ Curtis' regular practice is not to include components for those charges in overhead when establishing billing rates, but rather to charge its clients for these and all other out-of-pocket disbursements incurred during the regular course of providing legal services. The types of expenses incurred are consistent with the Guidelines and the reimbursement amounts do not exceed those set forth in the Guidelines.

35. Curtis has made every effort to minimize its disbursements in these cases. The actual expenses incurred in providing professional services were necessary, reasonable and justified under the circumstances to serve the needs of the Debtors in these Chapter 11 Cases.

Curtis' Requested Compensation and Reimbursement Should Be Allowed

36. Section 331 of the Bankruptcy Code provides for interim compensation of professionals and incorporates the substantive standards of section 330 of the Bankruptcy Code to govern the Court's award of such compensation. Section 330 of the Bankruptcy Code provides that a court may award a professional employed under section 327 of the Bankruptcy Code "reasonable compensation for actual, necessary services rendered . . . and reimbursement for actual, necessary expenses." Section 330 of the Bankruptcy Code also sets forth the criteria for the award of such compensation and reimbursement.

⁸ Other transportation expenses for which Curtis seeks allowance are for subway fare to Court or cab fare to Court for attorneys carrying voluminous documents.

37. In determining the amount of reasonable compensation to be awarded, the court should consider the nature, extent, and the value of such services, taking into account all relevant factors, including:

- a. the time spent on such services;
- b. the rates charged for such services;
- c. whether the services were necessary to the administration of, or beneficial at the time at which the service was rendered toward the completion of, a case under this title;
- d. whether the services were performed within a reasonable amount of time commensurate with the complexity, importance, and nature of the problem, issue, or task addressed;
- e. with respect to a professional person, whether the person is board certified or otherwise has demonstrated skill and experience in the bankruptcy field; and
- f. whether the compensation is reasonable based on the customary compensation charged by comparably skilled practitioners in cases other than cases under this title.

11 U.S.C. § 330(a)(3).

38. In the instant case, Curtis respectfully submits that the services for which it seeks compensation in the Application were necessary for and beneficial to the Debtors and their estates and were rendered to protect and preserve the Debtors' estates. Curtis respectfully submits that the services rendered to the Debtors were performed economically, effectively and efficiently and that the results obtained to date have benefited not only the Debtors but all stakeholders in the Debtors' chapter 11 cases. Curtis further submits that the compensation requested herein is reasonable in light of the nature, extent and value of such services to the Debtors, their estates and all parties in interest.

39. As demonstrated by the Application and all of the exhibits submitted in support hereof, Curtis spent its time economically and without unnecessary duplication. In addition, the

work conducted was carefully assigned to appropriate attorneys or paraprofessionals according to the experience and level of expertise required for each particular task. In summary, the services rendered by Curtis were necessary and beneficial to the Debtors and their estates, and were consistently performed in a timely manner commensurate with the complexity, importance, novelty and nature of the issues involved.

40. Accordingly, Curtis respectfully submits that approval of the compensation and expense reimbursement sought herein is warranted.

No Prior Request

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

Notice

42. Pursuant to the Interim Compensation Order, notice and a copy of this Application has been served upon: (a) the Debtors; (b) the U.S. Trustee; (c) lead bankruptcy counsel to the Debtors; (iv) counsel for the administrative agent for the Debtors' postpetition lenders; and (v) counsel to the Creditors' Committee. In light of the nature of the relief requested, Curtis respectfully submits that no further notice is necessary.

[Remainder of page intentionally left blank]

WHEREFORE, for the reasons set forth herein, Curtis respectfully requests that the Court enter an order granting the relief requested herein and such other and further relief as the Court deems appropriate.

Dated: November 16, 2012
New York, New York

Respectfully submitted,

**CURTIS, MALLET-PREVOST,
COLT & MOSLE LLP**

By: /s/ Steven J. Reisman
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macohen@curtis.com

*Conflicts Counsel for the Debtors and
Debtors in Possession*

Exhibit A

CERTIFICATION OF COMPLIANCE PURSUANT TO GENERAL ORDER M-389

**CURTIS, MALLET-PREVOST,
COLT & MOSLE LLP**

101 Park Avenue
New York, New York 10178-0061
Telephone: (212) 696-6000
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Steven J. Reisman
Michael A. Cohen

*Conflicts Counsel for the Debtors and
Debtors in Possession*

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

| | | |
|---|---|-------------------------|
| In re: |) | Chapter 11 |
| |) | |
| PATRIOT COAL CORPORATION, <i>et al.</i> , |) | Case No. 12-12900 (SCC) |
| |) | |
| Debtors. |) | Jointly Administered |

**CERTIFICATION OF STEVEN J. REISMAN PURSUANT TO GENERAL
ORDER M-389 REGARDING THE FIRST INTERIM APPLICATION OF CURTIS,
MALLET-PREVOST, COLT & MOSLE LLP, AS CONFLICTS COUNSEL FOR THE
DEBTORS AND DEBTORS IN POSSESSION, FOR ALLOWANCE AND PAYMENT OF
COMPENSATION FOR PROFESSIONAL SERVICES RENDERED AND
REIMBURSEMENT OF ACTUAL AND NECESSARY EXPENSES INCURRED FROM
JULY 9, 2012 THROUGH SEPTEMBER 30, 2012**

I, Steven J. Reisman, certify as follows:

1. I am a partner at the law firm of Curtis, Mallet-Prevost, Colt & Mosle LLP (“**Curtis**”), with responsibility for the Chapter 11 Cases of Patriot Coal Corporation and certain of its affiliates, as debtors and debtors in possession (collectively, the “**Debtors**”) in respect of, among other things, compliance with (i) the Order Establishing Procedures for Monthly Compensation and Reimbursement of Expenses of Professionals established and adopted by the United States Bankruptcy Court for the Southern District of New York pursuant to General Order M-388 (“**General Order M-388**”) and the Amended Guidelines for Fees and

Disbursements for Professionals in Southern District of New York Bankruptcy Cases established and adopted by the United States Bankruptcy Court for the Southern District of New York pursuant to General Order M-389 (“**General Order M-389**” and, together with General Order M-388, collectively, the “**Local Guidelines**”), (ii) the United States Trustee Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. § 330, adopted on January 30, 1996 (the “**UST Guidelines**”), and (iii) the *Order to Establish Procedures for Interim Monthly Compensation and Reimbursement of Expenses of Professionals* [Docket No. 262] (the “**Interim Compensation Order**” and, together with the Local Guidelines and UST Guidelines, collectively, the “**Guidelines**”).

2. With respect to Section A.1 of General Order M-389, I certify that:
 - a. I have read Curtis’ second interim and final application for compensation and reimbursement of expenses (the “**Application**”);¹
 - b. To the best of my knowledge, information and belief, insofar as I can tell after reasonable inquiry, the fees and disbursements sought in the Application fall within the Guidelines;
 - c. Except to the extent that fees or disbursements are prohibited by the Guidelines, the fees and disbursements sought are billed at rates and in accordance with practices customarily employed by Curtis and generally accepted by Curtis’ clients; and
 - d. In providing a reimbursable service, Curtis does not make a profit on the service, whether the service is performed by Curtis in-house or through a third party.

3. With respect to Section A.2 of General Order M-389, I certify that, in accordance with the terms of the Interim Compensation Order, the Debtors, the Office of the United States Trustee and the Creditors’ Committee have been provided with a statement of the fees and disbursements accrued during each month of the First Interim Fee Period for which Curtis has

¹ All capitalized terms used but not otherwise defined herein shall have the meaning set forth in the Application.

provided services on behalf of the Debtors, which statement of fees and disbursements contained a list of professionals and paraprofessionals providing services, their respective billing rates, the aggregate hours spent by each professional and paraprofessional, a general description of services rendered, a reasonably detailed breakdown of the disbursements incurred and an explanation of billing practices.

4. With respect to Section A.3 of General Order M-389, I certify that the Debtors, the Office of the United States Trustee and the Creditors' Committee have each been provided with a copy of the Application at least 14 days before the hearing on the Application.

Dated: November 16, 2012
New York, New York

/s/ Steven J. Reisman
STEVEN J. REISMAN
A Member of the Firm

**In re PATRIOT COAL CORPORATION, et al.,
CHAPTER 11
CASE NO. 12-12900**

**COMPENSATION BY MATTER NUMBER FOR SERVICES RENDERED BY CURTIS,
MALLET-PREVOST, COLT & MOSLE LLP FOR THE FIRST INTERIM FEE PERIOD
FROM JULY 9, 2012 THROUGH SEPTEMBER 30, 2012**

| Matter Number | Matter Description | Total Billed Hours | Total Fees Requested* | Total Expenses Requested | Total Compensation |
|----------------------|---|---------------------------|------------------------------|---------------------------------|---------------------------|
| 100 | Case Administration | 42.60 | \$18,535.50 | \$39.19 | \$18,574.69 |
| 200 | General Corporate Matters | 2.20 | 1,030.50 | 0.00 | 1,030.50 |
| 330 | Contract/Leases Assumption and Rejection | 93.70 | 36,747.45 | 498.76 | 37,246.21 |
| 410 | Adversary Proceedings and Contested Matters | 4.10 | 3,062.70 | 0.00 | 3,062.70 |
| 440 | Hearings and Court Matters | 42.90 | 14,473.80 | 36.00 | 14,509.80 |
| 700 | Curtis Retention | 25.90 | 9,345.15 | 11.78 | 9,356.93 |
| 800 | Curtis Monthly Billing Statements | 13.70 | 4,267.35 | 108.02 | 4,375.37 |
| Total | | 225.10 | \$87,462.45 | \$693.75 | \$88,156.20 |

* The amounts listed incorporate a ten percent reduction to Curtis' standard hourly rates, which Curtis has implemented as an accommodation to the Debtors.

**In re PATRIOT COAL CORPORATION, et al.,
 CHAPTER 11
 CASE NO. 12-12900**

**SUMMARY OF TOTAL FEES AND HOURS BILLED BY ATTORNEYS AND
 PARAPROFESSIONALS FOR FIRST INTERIM FEE PERIOD OF CURTIS, MALLET-
 PREVOST, COLT & MOSLE LLP FOR SERVICES RENDERED FROM JULY 9, 2012
 THROUGH SEPTEMBER 30, 2012**

| Name | Position with the Applicant and Year Admitted (NY) | | Department | Hourly Billing Rate | Total Billed Hours | Total Compensation |
|---|--|------|---------------|---------------------|--------------------|---------------------|
| Partners | | | | | | |
| Steven J. Reisman | Partner | 1991 | Restructuring | \$830.00 | 12.5 | \$10,375.00 |
| | | | | 860.00 | 3.0 | 2,580.00 |
| Michael A. Cohen | Partner | 2000 | Restructuring | 730.00 | 24.2 | 17,666.00 |
| | | | | 740.00 | 16.3 | 12,062.00 |
| Total Partner | | | | | 56.00 | \$42,683.00 |
| Associates | | | | | | |
| Peter Josef Buenger ¹ | Associate | 2010 | Restructuring | \$480.00 | 2.0 | \$960.00 |
| Matthew Lischin | Associate | 2010 | Restructuring | 435.00 | 37.7 | 16,399.50 |
| Heather Hiznay ² | Associate | 2011 | Restructuring | 345.00 | 60.0 | 20,700.00 |
| | | | | 395.00 | 12.4 | 4,898.00 |
| James Zimmer | Associate | 2011 | Restructuring | 395.00 | .7 | 276.50 |
| Total Associate | | | | | 112.80 | \$43,234.00 |
| Paraprofessionals | | | | | | |
| Jake Ebers | Legal Intern | N/A | Restructuring | \$230.00 | 6.8 | \$1,564.00 |
| Georgia Faust | Legal Assistant | N/A | Restructuring | 230.00 | 14.4 | 3,312.00 |
| | | | | 235.00 | 1.2 | 282.00 |
| Stephanie Morales | Legal Assistant | N/A | Restructuring | 220.00 | .3 | 66.00 |
| Melissa Rutman | Legal Assistant | N/A | Restructuring | 220.00 | 19.5 | 4,290.00 |
| | | | | 235.00 | 9.9 | 2,326.50 |
| Alana Dreiman | Legal Assistant | N/A | Restructuring | 235.00 | 0.7 | 164.50 |
| Jaymon Ballew | Legal Assistant | N/A | Restructuring | 235.00 | 3.5 | 822.50 |
| Total Paraprofessional | | | | | 56.3 | \$12,827.50 |
| Subtotal | | | | | 225.1 | \$98,744.50 |
| Less Reduction for Legal Intern Time³ | | | | | | (\$1,564.00) |
| Less Rate Reduction⁴ | | | | | | (\$9,718.05) |
| Total | | | | | 225.1 | \$87,462.45 |

| | |
|---|-------------|
| Total Billed Hours for Attorneys | 168.8 |
| Total Billed Hours for Paraprofessionals | 56.3 |
| Total Hours | 225.1 |
| Total Fee Amount | \$87,462.45 |
| Blended Rate for Attorneys & Paraprofessionals..... | \$388.55 |
| Blended Rate for Attorneys..... | \$458.09 |

¹ Peter Josef Buenger was admitted in Georgia in 2009.

² Heather Hiznay was admitted in New Jersey in 2010.

³ As a courtesy to the Debtors, Curtis is not seeking payment of \$1,564 of fees incurred for work performed by Jake Ebers, a legal intern, during the Compensation Period.

⁴ As an accommodation to the Debtors, Curtis has agreed to apply a 10% discount to its standard hourly rates.

**In re PATRIOT COAL CORPORATION, et al.,
CHAPTER 11
CASE NO. 12-12900**

**SUMMARY OF ACTUAL AND NECESSARY EXPENSES INCURRED BY CURTIS,
MALLET-PREVOST, COLT & MOSLE LLP DURING THE FIRST INTERIM FEE
PERIOD FROM JULY 9, 2012 THROUGH SEPTEMBER 30, 2012**

| CATEGORY OF EXPENSES | AMOUNTS |
|--|-----------------|
| Meals | \$20.00 |
| Transportation | 51.50 |
| Postage | 1.10 |
| Westlaw | 437.21 |
| Word Processing | 183.94 |
| Total Expense Reimbursement Requested | \$693.75 |