

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MISSOURI
EASTERN DIVISION

In re:

PATRIOT COAL CORPORATION, *et al.*,

Debtors.¹

Chapter 11

**Case No. 12-51502-659
(Jointly Administered)**

Hearing: March 19, 2013

RE: Docket #3068

**ORDER AUTHORIZING THE EXPANSION OF THE SCOPE OF EMPLOYMENT AND
RETENTION OF ERNST & YOUNG LLP
AS INDEPENDENT AUDITOR TO THE DEBTORS *NUNC PRO TUNC*
TO FEBRUARY 26, 2013**

Upon the first supplemental application (the “**Supplemental 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, Bankruptcy Rule 2014 and Local Rule 2014-1, for authorization to expand the scope of employment and retention of Ernst & Young LLP (“**EY LLP**”) to provide the Additional Services as defined in the Supplemental Application; and upon the declarations of Michael W. Hickenbotham, a partner of EY LLP, submitted in support of the Original Application and the Supplemental Application (collectively, the “**Declarations**”); and the Court being satisfied, based on the representations made in the Declarations, that EY LLP continues to be 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

¹ The Debtors are the entities listed on Schedule 1 attached to the Supplemental 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 Supplemental Application.

Section 327(a) and referenced by Section 328(c) of the Bankruptcy Code, neither holds nor represents 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 Supplemental Application and the relief requested therein pursuant to 28 U.S.C. § 1334; and consideration of the Supplemental Application and the requested relief being a core proceeding the Bankruptcy Court can determine pursuant to 28 U.S.C. § 157(b)(2); and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Supplemental Application has been provided, and it appearing that no other or further notice need be provided; and the relief requested in the Supplemental Application being in the best interests of the Debtors and their estates and creditors; and the Court having reviewed the Supplemental Application; and the Court having determined that the legal and factual bases set forth in the Supplemental Application 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 Supplemental Application is approved as set forth herein; and it is further

ORDERED that the Debtors are hereby authorized to expand their employment and retention of EY LLP in the Debtors' Chapter 11 cases, *nunc pro tunc*, to February 26, 2013, on the terms provided in the Additional Engagement Letter, which is hereby approved as modified herein; and it is further

ORDERED that the Additional Services provided by EY LLP are as follows:

- (a) Auditing and reporting on the consolidated financial statements of Patriot for the year ending December 31, 2013;
- (b) Auditing and reporting on the effectiveness of Patriot's internal control over financial reporting as of December 31, 2013; and

- (c) Reviewing Patriot's unaudited interim financial information before Patriot files its Form 10-Q for each quarter of the year ending December 31, 2013, 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 EY LLP shall continue to 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 Rules, the United States Trustee Guidelines (collectively, the "**Fee Guidelines**"), the Order Establishing Procedures for Interim Monthly Compensation and Reimbursement of Expenses of Professionals entered on August 2, 2012 [ECF No. 262], and any applicable orders of this Court; and it is further

ORDERED that EY LLP is hereby authorized and directed to 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 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 increases 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, subject to EY LLP's compliance with the applicable professional standards in its performance of audit services for the Debtors, EY LLP shall use reasonable efforts to comply

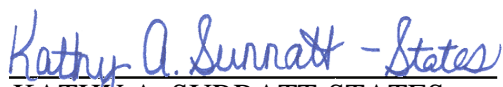
with clear and reasonable instructions of the Debtors in avoiding duplication of services provided by the Debtors' other retained professionals in these Chapter 11 cases; and it is further

ORDERED that to the extent that there may be any inconsistency between the terms of the Supplemental Application, the Original Application, the Original Order and this Order, the terms of this Order shall govern; 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 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.


KATHY A. SURRATT-STATES
Chief United States Bankruptcy Judge

DATED: March 15, 2013
St. Louis, Missouri
jjh

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