

Objection Date: April 25, 2013 at 4:00 p.m. (prevailing Central Time)
Hearing Date (if necessary): May 21, 2013 at 10:00 a.m. (prevailing Central Time)

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*Special Counsel for the Debtors
and Debtors in Possession*

**UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MISSOURI
EASTERN DIVISION**

In re:

PATRIOT COAL CORPORATION, et al.,

Debtors.

Chapter 11

Case No. 12-51502-659

(Jointly Administered)

**SUMMARY SHEET PURSUANT TO UNITED STATES TRUSTEE
GUIDELINES FOR REVIEWING APPLICATIONS FOR
COMPENSATION FILED UNDER 11 U.S.C. §§ 330 AND 331**

SECOND INTERIM APPLICATION

NAME OF APPLICANT:	Bowles Rice LLP
TIME PERIOD:	October 1, 2012 through and including January 31, 2013
ROLE IN THE CASE:	Special Counsel to the Debtors
CURRENT APPLICATION:	Total Fees Requested: \$305,832.31 Total Expenses Requested: \$13,983.18
PRIOR APPLICATIONS:	First Interim Application of Bowles Rice LLP for Allowance of Compensation filed November 16, 2012; Order entered December 19, 2012

NAME OF PARTNER/COUNSEL	YEAR ADMITTED	DEPARTMENT	TOTAL HOURS BILLED	HOURLY RATE	TOTAL FEES
CHINCHECK, JULIA A.	1983 - WV	COMMERCIAL & FINANCIAL	96.70	\$250.00	\$ 24,175.00
D'ANTONI, MARK B.	1987 - WV	ENERGY & REAL ESTATE DEVELOPMENT	82.50	\$235.00	\$ 19,387.50
DEJARNETT, DAVID	1989 - WV	TAX	5.20	\$262.40	\$ 1,364.48
FRAMPTON, PAUL E.	1981 - WV	MASS & TOXIC TORTS	495.40	\$165.00	\$ 81,741.00
HUGHES, CHARLES	2001 - WV, KY	BUSINESS LITIGATION	12.80	\$205.00	\$ 2,624.00
LANE, J. THOMAS	1973 - WV	ENERGY & REAL ESTATE DEVELOPMENT	103.80	\$285.00	\$ 29,583.00
OBLAK, REBECCA	1988 - WV, PA, DC	ENERGY & REAL ESTATE DEVELOPMENT	18.70	\$275.00	\$ 5,142.50
SMITH, SARAH E.	1977 - WV	BUSINESS LITIGATION	111.20	\$165.00	\$ 18,348.00
TAWNEY, AMY	1999 - WV	COMMERCIAL & FINANCIAL	2.00	\$213.20	\$ 426.40
TOTAL PARTNERS AND COUNSEL			928.30		\$ 182,791.88

II. ASSOCIATES

NAME OF ASSOCIATE	YEAR ADMITTED	DEPARTMENT	TOTAL HOURS BILLED	HOURLY RATE	TOTAL FEES
COHN, DANIEL	2012 - WV	COMMERCIAL & FINANCIAL	16.60	\$130.78	\$ 2,170.98
CRISLIP, ANNA	2010 - WV	COMMERCIAL & FINANCIAL	13.60	\$143.50	\$ 1,951.60
HANCOCK, THOMAS	2007 - WV	EMPLOYER LEGAL SERVICES	34.90	\$135.00	\$ 4,711.50
MCNAB, J. BRETON	2012 - OH, WV	ENERGY & REAL ESTATE DEVELOPMENT	9.60	\$114.80	\$ 1,102.08
PEARCY, THOMPSON	2012 - WV	COMMERCIAL & FINANCIAL	25.10	\$114.80	\$ 2,881.48
ROSE, HERSCHEL	2011 - WV	ENERGY & REAL ESTATE DEVELOPMENT	44.30	\$118.90	\$ 5,267.27
THOMAS, BENJAMIN	2005 - WV, NC	COMMERCIAL & FINANCIAL	0.20	\$184.50	\$ 36.90
WILKES, CATHERINE	2011 - WV	TAX	5.80	\$118.90	\$ 689.62
TOTAL ASSOCIATES			150.10		\$ 18,811.43

III. PARAPROFESSIONALS

NAME OF PARAPROFESSIONAL	DEPARTMENT	TOTAL HOURS BILLED	HOURLY RATE	TOTAL FEES
CHESTNUT, KIMBERLY D.	MASS & TOXIC TORTS	362.20	\$70.00	\$ 25,354.00
HARRISON, KRISTEN	ENERGY & REAL ESTATE DEVELOPMENT	10.80	\$100.00	\$ 1,080.00
HARRISON, TINA	MASS & TOXIC TORTS	104.30	\$70.00	\$ 7,301.00
LESTER, SHANNON	MASS & TOXIC TORTS	177.70	\$70.00	\$ 12,439.00
SMITH, TINA A.	MASS & TOXIC TORTS	38.70	\$70.00	\$ 2,709.00
TAYLOR, DEBRA	MASS & TOXIC TORTS	294.20	\$70.00	\$ 20,594.00
VANCE, UTE	MASS & TOXIC TORTS	387.20	\$70.00	\$ 27,104.00
TOTAL PARAPROFESSIONALS		1,375.10		\$ 96,581.00

IV. ADMINISTRATIVE

NAME OF ADMINISTRATIVE STAFF	DEPARTMENT	TOTAL HOURS BILLED	HOURLY RATE	TOTAL FEES
BRAWLEY, LEIGH	MASS & TOXIC TORTS	103.90	\$70.00	\$ 7,273.00
ROTRUCK, ROBIN	ENERGY & REAL ESTATE DEVELOPMENT	3.00	\$125.00	\$ 375.00
TOTAL ADMINISTRATIVE STAFF		106.90		\$ 7,648.00

GRAND TOTAL		2,560.40		\$ 305,832.31
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ATTORNEY BLENDED RATES

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	ATTORNEY BLENDED RATE	TOTAL ATTORNEY HOURS	TOTAL ATTORNEY FEES
PARTNERS/COUNSEL	196.91	928.30	\$ 182,791.88
ASSOCIATES	125.33	150.10	\$ 18,811.43
TOTAL	186.95	1078.40	\$ 201,603.31

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In re:

PATRIOT COAL CORPORATION, et al.,

Debtors.

Chapter 11

Case No. 12-51502-659

(Jointly Administered)

**SECOND INTERIM APPLICATION OF BOWLES RICE LLP FOR
ALLOWANCE OF COMPENSATION**

TO THE HONORABLE KATHY A. SURRATT-STATES,
UNITED STATES BANKRUPTCY JUDGE:

Bowles Rice LLP f/k/a Bowles Rice McDavid Graff & Love LLP (“Bowles Rice”), special counsel to Patriot Coal Corporation and its subsidiaries that are debtors and debtors in possession in these proceedings (collectively, the “**Debtors**”), for its second interim application (the “**Application**”), pursuant to §§ 330(a) and 331 of Title 11 of the United States Code (the “**Bankruptcy Code**”) and Rule 2016 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”), for allowance of compensation for professional services performed

by Bowles Rice during the period commencing October 1, 2012, through and including January 31, 2012 (the “**Compensation Period**”), respectfully represents:

PRELIMINARY STATEMENT

1. Debtors retained Bowles Rice as special counsel to continue providing advice and representation in black lung, health and safety, and other litigation, as well as commercial, energy, and real estate matters.

2. As special counsel, it has been necessary for Bowles Rice to expend time, energy, and resources to help the Debtors address the various and complex issues that arise in the operation of the Debtors’ West Virginia facilities.

3. Bowles Rice has tried to be as efficient as possible to minimize cost to the Debtors’ estates.

4. As described in further detail herein, Bowles Rice’s efforts to advise and represent the Debtors during the Compensation Period have benefitted the Debtors. Among other things, Bowles Rice (a) assisted the Debtors through local counsel opinions required by the post-petition financing in these cases, (b) assisted the Debtors with certain ongoing corporate governance matters, (c) assisted the Debtors with disposition of surface properties and coal, oil, and gas interests, (d) represented the Debtors in the bankruptcy case of a former contract miner and reviewed and analyzed a possible settlement in other litigation, and (e) represented the Debtors in black lung benefit and health and safety claims by the Debtors’ employees. Bowles Rice’s fees for professional services are reasonable under applicable standards. For all of these reasons, Bowles Rice requests that the Court grant this application and allow the compensation for professional services and reimbursement for expenses described herein.

BACKGROUND

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

6. Debtors retained Bowles Rice with authorization by the United States Bankruptcy Court for the Southern District of New York pursuant to its *Order Authorizing the Employment and Retention of Bowles Rice McDavid Graff & Love LLP as Special Counsel for the Debtors Nunc Pro Tunc to the Petition Date* [ECF No. 539] (the “**Bowles Rice Employment Order**”) to render professional services in connection with (collectively the “**Authorized Representation**”):

(a) to provide advice, representation and preparation of necessary documentation and to make all necessary filings regarding (i) coal and other property acquisitions, financings and other transactions and (ii) regulatory requirements involving coal properties and operations;

(b) to defend and provide advice, representation and the preparation of necessary documentation regarding various litigation matters, including Federal Black Lung, mining safety matters and bankruptcy matters where the Debtors are creditors of the bankrupt party or parties in interest in the bankruptcy case; and

(c) to provide advice, representation and the preparation of necessary documentation regarding issues under local and state law relating to corporate and commercial matters.

7. On July 18, 2012, the Office of the United States Trustee for the Southern District of New York (the “**U.S. Trustee**”) appointed the Creditors’ Committee pursuant to

§§ 1102(a) and 1102(b) of the Bankruptcy Code. No trustee or examiner has been appointed in the Debtors' Chapter 11 cases.

8. This Court has subject matter jurisdiction to consider and determine this matter pursuant to 28 U.S.C. § 1334 (2012). This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2) (2012). Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409 (2012).

SUMMARY OF REQUESTED PROFESSIONAL COMPENSATION

9. This Application has been prepared in accordance with (a) Local Rules 2016-1 and 2016-2 and this Court's Procedures Manual (the "**Local Guidelines**"), (b) 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 (c) the *Order to Establish Procedures for Interim Monthly Compensation and Reimbursement of Expenses of Professionals* entered by the United States Bankruptcy Court for the Southern District of New York [ECF No. 262] (the "**Interim Compensation Order**" and, collectively with the Local Guidelines and the UST Guidelines, the "**Guidelines**").

10. In accordance with the Interim Compensation Order, Bowles Rice filed monthly fee statements covering the following periods: (a) from October 1, 2012, through October 31, 2012 [ECF No. 1649]; (b) from November 1, 2012, through November 30, 2012 [ECF No. 2398]; (c) from December 1, 2012, through December 31, 2012 [ECF No. 3582]; and (d) from January 1, 2013, through January 31, 2013 [ECF No. ____].

11. Other than the fee statements described above, Bowles Rice has not requested previously any compensation from the Court for professional services or reimbursement of expenses for the Compensation Period.

12. By this Application, Bowles Rice seeks allowance in full of interim compensation for professional services rendered to the Debtors during the Compensation Period, in the aggregate amount of \$305,832.31, and allowance in full of interim reimbursement of expenses incurred during the Compensation Period, in the aggregate amount of \$13,983.18. During the Compensation Period, Bowles Rice attorneys and paraprofessionals expended a total of 2,560.4 hours for which compensation is sought.

13. As of the filing of this Application, Bowles Rice has received payments totaling \$174,447.93 for professional services rendered during the Compensation Period, and payments totaling \$9,443.45 for reimbursement of expenses incurred during the Compensation Period.

14. As of the filing of this Application, the total amount remaining unpaid for professional services rendered during the Compensation Period is \$131,384.38, and the total amount remaining unpaid for reimbursement of expenses incurred during the Compensation Period is \$4,539.73.

15. During the Compensation Period, other than pursuant to the Interim Compensation Order, Bowles Rice has received no payment and no 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. There is no agreement or understanding between Bowles Rice and any other person, other than partners of the firm, for the sharing of compensation to be received for services rendered in these cases.

16. The fees charged by Bowles Rice in these cases are billed in accordance with its agreed-upon billing rates and procedures in effect during the Compensation Period. The rates charged by Bowles Rice for the services rendered in these Chapter 11 cases do not (and will not) exceed the rates Bowles Rice customarily charges for services rendered in comparable matters. Such fees are reasonable based on the customary compensation charged by comparably-skilled practitioners in comparable assignments in a competitive national legal market.

17. Prior to the filing of this Application, Bowles Rice filed with the Court and served on the Debtors, the U.S. Trustee, counsel to the Creditors' Committee, and counsel to the Debtors' post-petition lenders the monthly fee statements identified in Paragraph 10 above, setting forth Bowles Rice's fees for professional services rendered and expenses incurred from October 1, 2012, through January 31, 2013.

18. Pursuant to the UST Guidelines, annexed to the U.S. Trustee summary section preceding this Application is a schedule setting forth all Bowles Rice professionals and paraprofessionals who have performed services in these Chapter 11 cases during the Compensation Period, the capacities in which each such individual is employed by Bowles Rice, the department in which each individual practices, the hourly billing rate charged by Bowles Rice for services performed by such individual for the Debtors, the year in which each professional was first licensed to practice law, and the aggregate number of hours expended in this matter and fees billed therefor.

19. Pursuant to the UST Guidelines, annexed hereto as Exhibit A is a summary of the number of hours and amounts billed by Bowles Rice during the Compensation Period, organized by project categories.

20. Bowles Rice maintains computerized records of the time spent by all Bowles Rice attorneys and paraprofessionals in connection with the Debtors' Chapter 11 cases.¹

21. To the extent that time or disbursement charges for services rendered or expenses incurred relate to the Compensation Period, but were not processed prior to the preparation of this Application, Bowles Rice reserves the right to request compensation for such services and reimbursement of such expenses in a future application.

SUMMARY OF SERVICES

22. During the Compensation Period, Bowles Rice was required to render professional services to assist the Debtors in dealing with various issues typically faced by coal operators. Recitation of each and every item of professional services performed by Bowles Rice during the Compensation Period would be extremely burdensome. Hence, the following summary highlights the major areas to which Bowles Rice devoted time and attention during the Compensation Period. This summary is organized in accordance with Bowles Rice's internal system of project categories. Exhibit A provides a breakdown of the time devoted and fees allocable to each project category.

(a) Black Lung Issues (Project Category 1)

The total number of hours billed for this project category was 2,109.7. The total fees related to this project category were \$207,574.50.

Bowles Rice provided services in connection with federal black lung claims asserted by former employees. Under this project category, Bowles Rice represented the Debtors in federal black lung litigation filed before the United States Department of Labor and before the applicable federal Circuit Courts of Appeals.

¹ Detailed time records were filed with Bowles Rice's monthly fee statements. Copies of these records will be made available to other parties in interest upon reasonable request. Additionally, as noted in the Sixth Fee Statement of Bowles Rice LLP, filed contemporaneously with this Second Interim Fee Application, certain time entries for Julia A. Chincheck have been deducted and are not included in the total fees requested during the Compensation Period.

(b) Commercial Issues (Project Category 2)

The total number of hours billed for this project category was 180.8. The total fees related to this project category were \$35,781.86.

Bowles Rice provided services in connection with the Debtors' business operations. Under this project category, Bowles Rice (i) delivered special counsel opinions concerning West Virginia and Virginia debtor entities and laws in connection with the Debtors' post-petition financing and (ii) assisted with various ongoing corporate governance matters. Additionally, Bowles Rice incurred fees in preparing its fee statements and first interim fee application.

(c) Energy and Real Estate Issues (Project Category 3)

The total number of hours billed for this project category was 238.4. The total fees related to this project category were \$54,927.57.

Bowles Rice provided services in connection with energy and real estate matters. Under this project category, Bowles Rice (i) advised the Debtors about West Virginia mechanic's lien laws, (ii) represented the Debtors in the sale of certain surface properties and coal, oil, and gas interests, and (iii) reviewed and analyzed a possible settlement of existing litigation.

(d) Litigation Matters (Project Category 4)

The total number of hours billed for this project category was 9.8. The total fees related to this project category were \$2,030.88.

Bowles Rice represented the Debtors in litigation unrelated to black lung and health and safety matters. In this project category, Bowles Rice represented Eastern Associated Coal LLC, one of the Debtors, in a West Virginia bankruptcy case filed by a former contract miner and certain related entities.

(e) Health and Safety Issues (Project Category 5)

The total number of hours billed for this project category was 21.7. The total fees related to this project category were \$5,517.50.

Bowles Rice represented the Debtors in connection with MSHA issues. Under this project category, Bowles Rice defended the Debtors against health and/or safety violations issued to particular mine(s).

THE REQUESTED COMPENSATION SHOULD BE ALLOWED

23. Section 331 of the Bankruptcy Code provides for compensation of professionals and incorporates the substantive standards of § 330 to govern the Court's award of such compensation. 11 U.S.C. § 331 (2012). Section 330 provides that a court may award a professional employed under § 327 of the Bankruptcy Code "reasonable compensation for actual, necessary services rendered . . . and reimbursement for actual, necessary expenses." Id. § 330(a)(1). Section 330 also sets forth the criteria for the award of such compensation and reimbursement:

In determining the amount of reasonable compensation to be awarded . . . , the court shall consider the nature, the 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.

Id. § 330(a)(3).

24. In the instant case, Bowles Rice respectfully submits that the services for which it seeks compensation in this Application were necessary for and beneficial to the Debtors' estates and their rehabilitation and reorganization effort. Such services were in the best interests of the Debtors' estates and creditors. Bowles Rice 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.

25. Whenever possible, Bowles Rice sought to minimize the costs of its services to the Debtors by utilizing talented junior attorneys and paraprofessionals to handle more routine aspects of case administration. A small group of the same Bowles Rice attorneys was utilized for the vast majority of the work in these cases to minimize the costs of intra-Bowles Rice communication and education about the Debtors' circumstances.

26. The Local Guidelines require that all professional fee applications analyze the twelve factors for allowance of compensation set forth in *Johnson v. Georgia Highway Express*, 388 F.2d 714 (5th Cir. 1974) (the "**Johnson Factors**"). Bowles Rice submits that its Application satisfies all of the *Johnson* Factors, as described below:

(a) Time and labor required. Bowles Rice has described in detail the time spent and has included a complete summary of the tasks performed, in addition to providing detailed time entries for each monthly fee statement.

(b) Novelty and difficulty of questions. Bowles Rice's services on behalf of the Debtors involve many issues peculiar to the Debtors' operations and the coal industry in general. By virtue of its experience with the Debtors and the coal industry, Bowles Rice is well-suited to represent the Debtors in these matters.

(c) Skill required to perform legal services. While this Court is certainly the best judge of the skill demonstrated by Bowles Rice lawyers in this engagement, Bowles

Rice believes that its lawyers have demonstrated consistently the skill levels necessary for the vigorous representation of the Debtors' interests in the matters they handled.

(d) Preclusion of employment due to acceptance. Acceptance of this case did not preclude Bowles Rice from other employment; however, the professionals involved in this case devoted significant portions of their time to the Debtors' affairs and were, to that extent, unable to address other matters.

(e) The customary fees. The rates charged by Bowles Rice in this matter are substantially lower than rates it charges for similar clients on similar matters.

(f) Whether the fee is fixed or contingent. The fees requested in this Application are based on neither a fixed nor contingent fee basis; the fees are requested on an hourly basis.

(g) Time limitations imposed by client or circumstances. This case poses the normal time pressures inherent in any Chapter 11 case.

(h) The amount involved and the results obtained. Bowles Rice worked diligently to advocate for its client and obtained results that were reasonable in the matters Bowles Rice handled.

(i) The experience, reputation, and ability of the attorneys. Bowles Rice is a full-service law firm well known in the Charleston, West Virginia, and regional legal markets. The professionals representing the Debtors in this engagement are highly skilled and experienced in the matters for which they are employed.

(j) The undesirability of the case. These are not undesirable cases. Bowles Rice is privileged to have the opportunity to represent the Debtors.

(k) The nature and length of the professional relationship with the client. Bowles Rice has represented the Debtors for several years on matters similar to the ones for which it has been engaged in these cases.

27. In sum, approval of the compensation for professional services sought herein is warranted.

CONCLUSION

WHEREFORE Bowles Rice respectfully requests: (i) an allowance of compensation for professional services rendered and reimbursement for expenses incurred during the Compensation Period in the aggregate amount of \$319,815.49; (ii) authorization for the Debtors to pay to Bowles Rice that portion of the compensation and reimbursement amounts not yet paid; (iii) that the allowance of such compensation for professional services rendered and reimbursement of expenses incurred be without prejudice to Bowles Rice's right to seek additional compensation for services performed and expenses incurred during the Compensation Period that were not processed at the time of this Application; and (iv) such other and further relief as is just.

Dated: Charleston, West Virginia
April 15, 2013

By: /s/ Julia A. Chincheck
Julia A. Chincheck
Mark B. D'Antoni
Daniel J. Cohn

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EXHIBIT A

**SUMMARY OF HOURS AND AMOUNTS BILLED DURING
THE COMPENSATION PERIOD BY BOWLES RICE LLP,
ORGANIZED BY INTERNAL PROJECT CATEGORY**

PROJECT CATEGORY	DESCRIPTION	HOURS	AMOUNT
1.	Black Lung Issues	2,109.7	\$207,574.50
2.	Commercial	180.8	35,781.86
3.	Energy & Real Estate	238.4	54,927.57
4.	Litigation	9.8	2,030.88
5.	Safety and Health	21.7	5,517.50
Total Hours and Compensation Requested:		2,560.4	\$305,832.31