

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)**

**Hearing Date:
March 18, 2013 at 1:00 p.m.
(prevailing Central Time)**

**Hearing Location:
Courtroom 7 North**

Re: ECF No. 2819

**NOTICE REGARDING DEBTORS' MOTION FOR AUTHORITY TO
IMPLEMENT COMPENSATION PLANS**

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

1. The Office of the United States Trustee for Region 13 informed the Debtors that the United States Trustee intended to object to the Debtors’ Motion for Authority to Implement Compensation Plans [ECF No. 2819] (the “**Motion**”) ¹ on the basis that, in the United States Trustee’s view, seven CERP Participants are “insiders” under the Bankruptcy Code and the proposed retention payments to such participants do not comply with section 503(c)(1) of the Bankruptcy Code.

2. The seven participants at issue are (i) the Vice President – Associate General Counsel & Corporate Secretary; (ii) the Senior Vice President – Operations WV

¹ Each capitalized term used but not defined herein shall have the meaning set forth in the Motion.

North Region; (iii) the Senior Vice President – Operations WV South Region; (iv) the Vice President & Treasurer, (v) the Vice President – Safety; (vi) the Vice President – Investor Relations; and (vii) the Senior Counsel.

3. The Debtors strenuously disagree with the United States Trustee’s position that the seven participants at issue are insiders, but have modified the Proposed Compensation Plans to eliminate CERP payments for such individuals and to increase their incentive compensation opportunities under the 2013 AIP by the amount of the withdrawn CERP payments.

4. The United States Trustee agrees that no aspect of the Proposed Compensation Plans, as modified, is subject to section 503(c)(1) of the Bankruptcy Code.

5. The United States Trustee reserves its rights regarding whether the Proposed Compensation Plans satisfy section 503(c)(3) of the Bankruptcy Code pending the complete presentation of evidence.

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6. A hearing to consider the Motion has been scheduled for March 18, 2013 at 1:00 p.m. (prevailing Central Time) in Courtroom 7 North of the Thomas F. Eagleton United States Courthouse, 111 South Tenth Street, St. Louis, Missouri, 63102, before the Honorable Kathy A. Surratt-States, United States Bankruptcy Judge (the “**Hearing**”).

Dated: March 6, 2013
New York, New York

Respectfully submitted,

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