

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)**

**Objection Deadline:
March 27, 2013 at 4:00 p.m.
(prevailing Central Time)**

**NOTICE OF FILING BY AP SERVICES, LLC OF THE SECOND
REPORT OF COMPENSATION EARNED AND EXPENSES INCURRED
FOR THE PERIOD FROM OCTOBER 1, 2012 THROUGH DECEMBER 31, 2012**

In accordance with the Final Order Under 11 U.S.C. §§ 105(a) and 363 *Granting The Debtors' Motion To Employ And Retain AP Services, LLC and Designate Kenneth A. Hiltz As Chief Restructuring Officer To The Debtors, Nunc Pro Tunc To The Petition Date*, entered August 16, 2012 [Docket No. 371] and pursuant to the terms of the engagement letter dated July 8, 2012, as amended as of July 17, 2012 (the "Engagement Letter") notice is hereby given that AP Services, LLC ("APS") has filed a report of compensation earned and expenses incurred for the period of October 1, 2012 through December 31, 2012 (the "Report").

Objections, if any, are due on or before 4:00 p.m. prevailing Central Time on March 27, 2013. At the same time, you must also serve a copy of the response on APS.

A HEARING WILL BE HELD, only if an objection is timely filed and served, before the Honorable Kathy A. Surratt-States, Chief U.S. Bankruptcy Judge, Thomas F. Eagleton US Courthouse, 111 S. 10th Street, Courtroom 7 North, St. Louis, MO 63102, at a date and time to be scheduled by the Court.

Dated: March 7, 2013

AP Services, LLC



Kenneth A. Hiltz
AP Services, LLC

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MISSOURI
EASTERN DIVISION

In re)	Chapter 11
)	
Patriot Coal Corporation, <i>et al.</i> ,)	Case No. 12-51502-659
)	
)	Jointly Administered
)	
Debtors.)	

**SECOND REPORT BY AP SERVICES, LLC
OF COMPENSATION EARNED AND EXPENSES INCURRED
FOR THE PERIOD FROM OCTOBER 1, 2012 THROUGH DECEMBER 31, 2012**

Exhibit A – Summary of Compensation and Expenses

Exhibit B – Summary of Professionals and Fees

Exhibit C – Summary of Expenses

Exhibit D – Summary of Services

Dated: March 7, 2013



Kenneth A. Hiltz
AP Services, LLC

AP Services, LLC
Summary of Compensation and Expenses – Patriot Coal Corporation, et al.
October 1, 2012 through December 31, 2012

Period	Fees	Expenses	TOTAL
October 1, 2012 to October 31, 2012	\$ 771,048.00	\$ 36,439.24	\$ 807,487.24
November 1, 2012 to November 30, 2012	716,493.14	26,526.01	743,019.15
December 1, 2012 to December 31, 2012	526,588.21	25,429.34	552,017.55
Total Accrued	\$ 2,014,129.35	\$ 88,394.59	\$ 2,102,523.94
Less: Travel (50%)	(116,778.61)		(116,778.61)
Sub-Total	1,897,350.74	88,394.59	1,985,745.33
Less: Courtesy Discount	(63,466.00)		(63,466.00)
Total Invoiced	\$ 1,833,884.74	\$ 88,394.59	\$ 1,922,279.33

AP Services, LLC
Summary of Professionals and Fees – Patriot Coal Corporation, et al.
October 1, 2012 through December 31, 2012

Temporary Employees - Individuals With Executive Officer Positions							
Name of Professional	Description of Function	Hourly Rate				Total Hours	Total Compensation
			Oct-12	Nov-12	Dec-12		
Kenneth A. Hiltz	Chief Restructuring Officer	\$ 792.00	189.00	158.00	77.40	424.40	\$ 336,124.80
						424.40	\$ 336,124.80

Additional Temporary Staff Employees ¹							
Name of Professional	Description of Function*	Hourly Rate				Total Hours	Total Compensation
			Oct-12	Nov-12	Dec-12		
Joseph Mazzotti	Due Diligence and Interface to Constituent Advisors	\$ 643.50	159.50	186.80	129.90	476.20	\$ 306,434.70
Bryan K. Porter	Technical Support for Claims and Contracts Databases	\$ 598.50	0.80	1.60	-	2.40	\$ 1,436.40
Robb C. McWilliams	Schedules, Intercompany Analysis, Claims Analysis, and Supplier Management	\$ 598.50	177.50	144.10	138.90	460.50	\$ 275,609.25
Brad Spooner	Intercompany Transactions Analysis	\$ 558.00	183.70	245.20	157.20	586.10	\$ 327,043.80
John Creighton	Contracts, Leases, and Supplier Management	\$ 454.50	247.50	186.90	164.70	599.10	\$ 272,290.95
Jarod E. Clarrey	Claims, First Day Motion Tracking, and Supplier Management	\$ 409.50	201.80	171.40	168.90	542.10	\$ 221,989.95
Dipes Patel	Claims Analysis and Schedules	\$ 310.50	227.50	199.50	185.00	612.00	\$ 190,026.00
Wally Li	Code Development and Support for Contracts Database and Website	\$ 279.00	32.40	51.60	27.80	111.80	\$ 31,192.20
Trevor Wick	Code Development and Support for Contracts Database and Website	\$ 243.00	82.20	38.80	6.70	127.70	\$ 31,031.10
Travis Haber	Reclamation claims analysis and report development	\$ 243.00	60.60	8.00	-	68.60	\$ 16,669.80
Tony J. Williamson	Research alternatives to support potential subsidence claim notifications	\$ 184.50	-	6.10	-	6.10	\$ 1,125.45
Derrick Q. Irving	Research alternatives to support potential subsidence claim notifications	\$ 184.50	-	17.10	-	17.10	\$ 3,154.95
			1,373.50	1,257.10	979.10	3,609.70	\$ -
Sub Total			1,562.50	1,415.10	1,056.50	4,034.10	\$ 1,678,004.55
Grand Total						4,458.50	\$ 2,014,129.35
Less: 50% Travel							(116,778.61)
Sub Total							\$ 1,897,350.74
Less: Courtesy Discount							(63,466.00)
Net Total							\$ 1,833,884.74

*Description of function has been updated to reflect the most recent activity.

¹ AP Services may determine, from time to time, to augment its professional staff with independent contractors (each an "Independent Contractor") in these chapter 11 cases. AP Services standard practice is to charge for an Independent Contractor's services at the AP Services rate for a professional of comparable skill and experience, which rate typically exceeds the compensation provided by AP Service to such Independent Contractor. AP Services did not use Independent Contractors during this Compensation Period.

AP Services, LLC
Summary of Expenses – Patriot Coal Corporation, et al.
October 1, 2012 through December 31, 2012

Expense Categories	October-12	November-12	December-12	TOTAL
Airfare	\$ 15,736.76	\$ 11,233.47	\$ 8,551.60	\$ 35,521.83
Cab Fare / Ground Transportation	3,002.56	2,543.63	2,972.65	8,518.84
Conference Calls	389.37	37.42	158.66	585.45
Phone - Internet Access	85.66	54.17	79.93	219.76
Lodging	11,152.54	7,304.89	8,147.03	26,604.46
Meals & Tips	1,837.40	1,401.11	1,575.19	4,813.70
Mileage		246.42	-	246.42
Meals - Engagement Team	180.00	160.00	-	340.00
Postage / Messenger / Courier	-	75.47	-	75.47
Parking & Tolls	216.00	114.00	48.00	378.00
Research	42.40	-	-	42.40
Rental Car	3,796.55	3,355.43	3,896.28	11,048.26
TOTAL	\$ 36,439.24	\$ 26,526.01	\$ 25,429.34	\$ 88,394.59

AP Services, LLC
Summary of Services – Patriot Coal Corporation, et al.
October 1, 2012 through December 31, 2012

- Chief Restructuring Officer:
 - Met regularly with Patriot Coal Corporation and its Debtor affiliates (the “Company” or the “Debtors”) senior management and advisors to coordinate and align restructuring work streams and goals with the Debtors’ overall business operations and strategies and met with Company’s Board of Directors on various occasions for similar purposes
 - Provided senior-level guidance on the restructuring process, including working with stakeholder groups, together with the Debtors’ senior management during the initial design and implementation planning of a restructuring strategy
 - Interfaced with counterparties’ professionals to respond, in a timely and inclusive manner, to their inquiries and requests for information about the Debtors’ financial results and the rationale and support for major restructuring related decisions
 - Provided assistance to management in the assessment and development of business strategy and operational restructuring plans
 - Provided assistance to senior management in assessing needs and developing solutions re labor costs and retiree obligations
 - Provided oversight to AP Services, LLC’s work streams as further described below
- The Contracts Collection & Review Team:
 - Maintained and updated a secure, single-source contracts database and web portal for contract analysis
 - Leveraged the contract data in the secure database to produce the court required filing and documentation
 - Provided ongoing support for Debtors Managers, Senior Business Leaders in the development of “assume/reject” criteria, the assessment of contracts, determination of contract “assume/reject” decisions, and evaluation of potential claim and cure costs associated with the decisions
 - Supported a cross-functional contract governance team to review and approve of “reject/assume” decisions to ensure the Chapter 11 assessment process maximizes value for the Debtors
- The Vendor/Supplier Management Team:

AP Services, LLC
Summary of Services – Patriot Coal Corporation, et al.
October 1, 2012 through December 31, 2012

- Maintained processes and tools to request, review, approve, and track allowed first day motion funds for vendor payments and utility deposits
- Facilitated and participated in the Supplier Management Committee to review and resolve requests for use of vendor and utility deposit funds under first day motions
- Provided consultation on negotiation strategy, as well as ad hoc direct negotiations support to Debtors' personnel with respect to vendors and utilities
- Improved anticipated liquidity for the Debtors' estate through consultation and assistance on negotiations with suppliers regarding requested payment under first day motions.
- The Claims Management and Chapter 11 Reporting Team:
 - Led the collection, organization, and preparation for analysis of reclamation claims received by the Debtors:
 - Worked with contacts across different functional groups (Accounting, Legal, Treasury, Procurement, Operations, etc.)
 - Collected and cataloged reclamation claims received by the Debtors
 - Reviewed and consolidated Debtors' material receipts and disbursements data related to reclamation claims
 - Researched and analyzed the Debtors' information related to reclamation claims and assisted the Debtors in reconciling the claimant information
 - Created and reviewed report on reclamation claims with Debtors' management and counsel
 - Led the collection, organization, and preparation for analysis of claims received by the Debtors prior to the bar date
 - Updated SOFAs and Schedules as required based on ongoing updates to Debtors' records, utilization of allowed first day motion funds, contract rejections, and other Chapter 11 activities
- The Finance and Constituent Support Team:
 - Organized and facilitated the ongoing working relationship between the Debtors' management team and key outside constituencies, including post-petition lenders

AP Services, LLC
Summary of Services – Patriot Coal Corporation, et al.
October 1, 2012 through December 31, 2012

the Unsecured Creditors Committee, the United Mine Workers of America , and their legal and financial advisors

- Led efforts to sustain internal processes and protocols to receive, manage, and respond to due diligence requests by key outside constituencies, including serving as the collection point for new requests and Debtors' responses, and creating and managing a database of requests and responses
 - Worked closely with the outside constituencies' financial advisors and the Debtors' finance team to establish requirements and delivery of regular supplemental reports, and to facilitate regular communication to receive and respond to questions regarding the reports
- Advised and assisted the Debtors with ongoing support of the 13-week cash flow projection models, variance analyses, and reviews with outside constituencies