

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)

Objection Deadline:

August 13, 2013 at 4:00 p.m.

(prevailing Central Time)

Hearing Date (if necessary):

August 20, 2013 at 10:00 a.m.

(prevailing Central Time)

Hearing Location:

Courtroom 7 North

**NOTICE AND APPLICATION OF THE DEBTORS FOR AUTHORITY TO
EMPLOY AND RETAIN GCP LEGAL ADVISORS, LLC AS SPECIAL CLAIMS
ADMINISTRATION COUNSEL FOR THE DEBTORS *NUNC PRO TUNC* TO
JULY 15, 2013**

PLEASE TAKE NOTICE THAT this application is scheduled for hearing on August 20, 2013, at 10:00 a.m. (prevailing Central Time), in Bankruptcy Courtroom Seventh Floor North, in the Thomas F. Eagleton U.S. Courthouse, 111 South Tenth Street, St. Louis, Missouri, 63102.

WARNING: ANY RESPONSE OR OBJECTION TO THIS APPLICATION MUST BE FILED WITH THE COURT BY 4:00 P.M. (PREVAILING CENTRAL TIME) ON AUGUST 13, 2013. A COPY MUST BE PROMPTLY SERVED UPON THE UNDERSIGNED. FAILURE TO FILE A TIMELY RESPONSE MAY RESULT IN THE COURT GRANTING THE RELIEF REQUESTED PRIOR TO THE HEARING DATE.

¹ The Debtors are the entities listed on Schedule 1 attached hereto. The employer tax identification numbers and addresses for each of the Debtors are set forth in the Debtors' chapter 11 petitions.

**APPLICATION OF THE DEBTORS FOR AUTHORITY TO
EMPLOY AND RETAIN GCP LEGAL ADVISORS, LLC AS SPECIAL CLAIMS
ADMINISTRATION COUNSEL FOR THE DEBTORS *NUNC PRO TUNC* TO
JULY 15, 2013**

NOW COME Patriot Coal Corporation and its subsidiaries that are debtors in these jointly-administered cases (the “**Debtors**”) and apply to this Court for authority to employ the firm of GCP Legal Advisors, LLC (“**GCP Legal Advisors**”) as its special claims administration counsel. In support of this Application, the Debtors show the Court as follows:

Relief Requested

1. By this Application, the Debtor respectfully requests the entry of an order, pursuant to section 327(a) of the Bankruptcy Code, authorizing the Debtor to retain GCP Legal Advisors as its special claims administration counsel in these Chapter 11 cases, effective as of July 15, 2013, as well as to provide advice and counsel regarding general corporate and other matters.

Background and Jurisdiction

2. On July 9, 2012 (the “**Petition Date**”), each Debtor commenced with the United States Bankruptcy Court for the Southern District of New York (the “**SDNY Bankruptcy Court**”) a voluntary case under chapter 11 of the Bankruptcy Code. On December 19, 2012, the SDNY Bankruptcy Court entered an order transferring the Debtors’ chapter 11 cases to this Court (the “**Transfer Order**”) [ECF No. 1789].² The Debtors are authorized to operate their businesses and manage their properties as debtors in

² Pursuant to the Transfer Order, all orders previously entered in these chapter 11 cases remain in full force and effect in accordance with their terms notwithstanding the transfer of venue.

possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. These cases are being jointly administered pursuant to Rule 1015(b) of the Federal Rules of Bankruptcy Procedure and the SDNY Bankruptcy Court's Joint Administration Order entered on July 10, 2012 [ECF No. 30].

3. Additional information about the Debtors' businesses and the events leading up to the Petition Date can be found in the Declaration of Mark N. Schroeder pursuant to Local Bankruptcy Rule 1007-2 of the SDNY Bankruptcy Court, filed on July 9, 2012 [ECF No. 4], which is incorporated herein by reference.

4. The Court has subject matter jurisdiction to consider this matter pursuant to 28 U.S.C. § 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b) and may be determined by the Bankruptcy Court. Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

Basis for Relief

5. The Debtors have selected GCP Legal Advisors as their special claims administration counsel because the firm is qualified to provide the services necessary to effectively and efficiently resolve bankruptcy claims. Richard A. Keffer, GCP Legal Advisors' counsel assigned to this matter, served as General Counsel for Aurora Foods Company during its Chapter 11 restructuring and is knowledgeable in other complementary areas of law.

6. GCP Legal Advisors is a new firm consisting exclusively of former senior in-house counsel and, thus, is familiar with the processes and strategies needed to work

with the Debtors' personnel and outside advisors to effectively and efficiently resolve claim disputes.

7. The Debtors believe that the employment of GCP Legal Advisors is necessary and in the best interests of the Debtors' estates. The legal services to be provided by GCP Legal Advisors include the following:

- a. analysis of the validity of claims filed against the Debtors;
- b. coordination and supervision of the Debtors' outside advisors handling claims administration matters;
- c. coordination and counsel to the Debtors' personnel having the factual basis to support claims resolution matters; and
- d. any other matter specifically requested by the Debtors' General Counsel that may arise in connection with the Debtors' reorganization proceedings and its business operations.

8. The Debtors have retained Davis Polk & Wardwell LLP ("**Davis Polk**") as their lead restructuring counsel, Curtis, Mallet-Prevost, Colt & Mosle LLP ("**Curtis**") as their conflicts counsel, and Bryan Cave LLP ("**Bryan Cave**") as their local restructuring counsel. GCP Legal Advisors will work closely with the Debtors, Davis Polk, Curtis, Bryan Cave and the Debtors' other retained professionals to clearly delineate each professional's respective duties and to prevent unnecessary duplication of services whenever possible.

9. To the best of the Debtors' knowledge, based on the accompanying declaration of Richard A. Keffer (the "**Keffer Declaration**"), which is attached hereto as Exhibit A, GCP Legal Advisors does not hold or represent any interest adverse to the Debtors' estates; GCP Legal Advisors is a "disinterested person" as that phrase is defined

in section 101(14) of the Bankruptcy Code, as modified by section 1107(b) of the Bankruptcy Code; and GCP Legal Advisors employment is necessary and in the best interests of the Debtors' estates.

10. To the best of the Debtors' knowledge, GCP Legal Advisors does not have any connection with the Debtors, their creditors, other parties in interest, their respective attorneys and accountants, the United States Trustee, or any person employed in the office of the United States Trustee, other than as set forth in the Keffer Declaration. The Debtors submit that the information disclosed in the Keffer Declaration does not preclude GCP Legal Advisors from representing the Debtors under applicable law and ethics rules.

11. GCP Legal Advisors does not and will not represent in this case any other entity that has an interest adverse to the Debtors' estates.

12. GCP Legal Advisors' requested compensation for professional services rendered to the Debtors will be based on the hours actually expended by each assigned professional at that professional's hourly billing rate, as well as reimbursement for reasonable and necessary expenses that GCP Legal Advisors customarily bills to its clients. The Debtors have agreed to compensate GCP Legal Advisors for professional services at its normal and customary hourly rates. As is the case with respect to rates charged in non-bankruptcy matters of this type, GCP Legal Advisors' rates are subject to periodic adjustment to reflect economic and other conditions. Further details regarding professional fees and expenses are set forth in the Keffer Declaration.

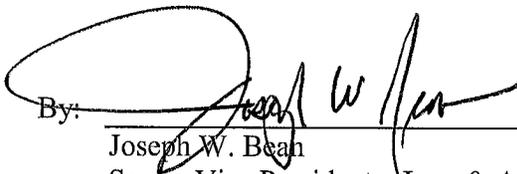
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WHEREFORE, the Debtors respectfully request that this Court:

- a. enter an order authorizing the Debtors to employ GCP Legal Advisors as their attorneys for the purposes described above, *nunc pro tunc* to July 15, 2013; and
- b. grant the Debtors such other and further relief as is just and proper.

Dated: St. Louis, Missouri
July 30, 2013

By: _____



Joseph W. Bean
Senior Vice President – Law & Administration
and General Counsel
Patriot Coal Corporation

Schedule 1
(Debtor Entities)

1. Affinity Mining Company
2. Apogee Coal Company, LLC
3. Appalachia Mine Services, LLC
4. Beaver Dam Coal Company, LLC
5. Big Eagle, LLC
6. Big Eagle Rail, LLC
7. Black Stallion Coal Company, LLC
8. Black Walnut Coal Company
9. Bluegrass Mine Services, LLC
10. Brook Trout Coal, LLC
11. Catenary Coal Company, LLC
12. Central States Coal Reserves of Kentucky, LLC
13. Charles Coal Company, LLC
14. Cleaton Coal Company
15. Coal Clean LLC
16. Coal Properties, LLC
17. Coal Reserve Holding Limited Liability Company No. 2
18. Colony Bay Coal Company
19. Cook Mountain Coal Company, LLC
20. Corydon Resources LLC
21. Coventry Mining Services, LLC
22. Coyote Coal Company LLC
23. Cub Branch Coal Company LLC
24. Dakota LLC
25. Day LLC
26. Dixon Mining Company, LLC
27. Dodge Hill Holding JV, LLC
28. Dodge Hill Mining Company, LLC
29. Dodge Hill of Kentucky, LLC
30. EACC Camps, Inc.
31. Eastern Associated Coal, LLC
32. Eastern Coal Company, LLC
33. Eastern Royalty, LLC
34. Emerald Processing, L.L.C.
35. Gateway Eagle Coal Company, LLC
36. Grand Eagle Mining, LLC
37. Heritage Coal Company LLC
38. Highland Mining Company, LLC
39. Hillside Mining Company
40. Hobet Mining, LLC
41. Indian Hill Company LLC
42. Infinity Coal Sales, LLC
43. Interior Holdings, LLC
44. IO Coal LLC
45. Jarrell's Branch Coal Company
46. Jupiter Holdings LLC
47. Kanawha Eagle Coal, LLC
48. Kanawha River Ventures I, LLC
49. Kanawha River Ventures II, LLC
50. Kanawha River Ventures III, LLC
51. KE Ventures, LLC
52. Little Creek LLC
53. Logan Fork Coal Company
54. Magnum Coal Company LLC
55. Magnum Coal Sales LLC
56. Martinka Coal Company, LLC
57. Midland Trail Energy LLC
58. Midwest Coal Resources II, LLC
59. Mountain View Coal Company, LLC
60. New Trout Coal Holdings II, LLC
61. Newtown Energy, Inc.
62. North Page Coal Corp.
63. Ohio County Coal Company, LLC
64. Panther LLC
65. Patriot Beaver Dam Holdings, LLC
66. Patriot Coal Company, L.P.
67. Patriot Coal Corporation
68. Patriot Coal Sales LLC
69. Patriot Coal Services LLC
70. Patriot Leasing Company LLC
71. Patriot Midwest Holdings, LLC
72. Patriot Reserve Holdings, LLC
73. Patriot Trading LLC
74. PCX Enterprises, Inc.
75. Pine Ridge Coal Company, LLC
76. Pond Creek Land Resources, LLC
77. Pond Fork Processing LLC
78. Remington Holdings LLC
79. Remington II LLC
80. Remington LLC
81. Rivers Edge Mining, Inc.
82. Robin Land Company, LLC
83. Sentry Mining, LLC
84. Snowberry Land Company
85. Speed Mining LLC
86. Sterling Smokeless Coal Company, LLC
87. TC Sales Company, LLC
88. The Presidents Energy Company LLC
89. Thunderhill Coal LLC
90. Trout Coal Holdings, LLC
91. Union County Coal Co., LLC
92. Viper LLC
93. Weatherby Processing LLC
94. Wildcat Energy LLC
95. Wildcat, LLC
96. Will Scarlet Properties LLC
97. Winchester LLC
98. Winifrede Dock Limited Liability Company
99. Yankeetown Dock, LLC

DECLARATION

**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)

DECLARATION OF RICHARD A. KEFFER

STATE OF MISSOURI

§

§ ss:

COUNTY OF ST. LOUIS

§

I, Richard A. Keffer, hereby state and declare as follows²:

1. I am an attorney and member of the law firm of GCP Legal Advisors, LLC (“**GCP Legal Advisors**”). Our firm maintains offices for the practice of law at 274 Greenbriar Estates Drive, St. Louis, Missouri. I am familiar with the matters set forth herein and make this Declaration pursuant to section 329(a) of the Bankruptcy Code and Rules 2014(a) and 2016(b) of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”) in support of the Application for Authority to Employ GCP Legal Advisors LLC as Special Claims Administration Counsel for the Debtors (the “**Application**”).

2. GCP Legal Advisors was engaged by the Debtors as their special claims administration counsel on July 15, 2013.

¹ The Debtors are the entities listed on Schedule 1 attached to the Application (as defined herein). 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, each capitalized term shall have the meaning ascribed to such term in the Application.

3. A true and correct copy of GCP Legal Advisors' Consulting Agreement with the Debtors is attached hereto as Attachment 1.

4. Hourly rates for GCP Legal Advisors' professionals based in St. Louis, which are subject to adjustment from time to time, are \$250 per hour for Members. GCP Legal Advisors also intends to seek reimbursement of all reasonable and documented business expenses, such as hotel accommodations, coach airfare and ground transportation, if incurred in conducting business at the behest of the Debtors. GCP Legal Advisors understands that interim and final fee awards are subject to approval by this Court.

5. In support of the Application, I disclose the following:

(a) Unless otherwise stated, this Declaration is based upon facts of which I have personal knowledge.

(b) The facts stated in this Declaration as to the relationship between lawyers in our firm and the Debtors, the Debtors' creditors, other parties in interest, the United States Trustee, and persons employed by the Office of the United States Trustee are stated to the best of my knowledge, information, and belief and are based on the results of the searches and inquiries described in the following paragraphs.

(c) In preparing this Declaration, I have caused to be conducted a search of our firm's conflict-check system in respect of a list provided to me by the Debtors of the Debtors; their affiliates; their directors and officers; the directors' affiliations; five percent and greater shareholders and beneficial owners; significant business partners; attorneys, professionals, and financial advisors; significant financial institutions (other than ordinary-course banking relationships); significant equipment lessors; significant landlords and lessors; unions; letter-of-credit and surety-bond providers and beneficiaries; significant taxing authorities; regulatory

agencies; parties to significant litigation; significant suppliers, shippers, warehousemen, customers, and vendors; the 50 largest unsecured creditors and the members of the Official Committee of Unsecured Creditors; utilities; indenture trustees; professionals representing any of the foregoing in relation to the Debtors' cases; and other parties that have entered their appearances in these cases.

(d) I also have caused to be disseminated a written request for information to all of the attorneys in our firm regarding connections to the Debtors, the Bankruptcy Judges in this District, the United States Trustee, and persons employed by the Office of the United States Trustee.

6. GCP Legal Advisors' conflict-check system is comprised of records regularly maintained in the ordinary course of business of the firm, and it is the regular practice of the firm to make and maintain these records. It reflects entries that are noted in the system at the time the information becomes known by persons whose regular duties include recording and maintaining this information. I regularly use and rely upon the information contained in the system in the performance of my duties with the law firm and in my practice of law.

7. The searches and request for information described above revealed no connections with the parties described in paragraph 5 hereof.

8. Neither I nor GCP Legal Advisors will represent any entity in connection with this case, except the Debtors, unless otherwise authorized by the Court.

9. To the best of my knowledge, information, and belief, neither GCP Legal Advisors nor any attorney associated with GCP Legal Advisors:

- (a) is a creditor, an equity security holder, or an insider of the Debtors;
- (b) is or has been, within two years before the filing of these cases, a director,

officer, or employee of the Debtors; or

(c) has an interest materially adverse to the interests of the Debtors' estates or of any class of creditors or equity security holders, by reason of any direct or indirect relationship to, connection with, or interest in the Debtors, or for any other reason.

10. The professional fees and costs incurred by GCP Legal Advisors in the course of its representation of the Debtors in these cases will be subject in all respects to the application and notice requirements of sections 327, 330, and 331 of the Bankruptcy Code and Bankruptcy Rules 2014 and 2016.

11. There is no agreement of any nature as to the sharing of any compensation to be paid to GCP Legal Advisors, other than sharing among the partners of GCP Legal Advisors. No promises have been received by GCP Legal Advisors nor any partner thereof as to compensation in connection with these cases, other than in accordance with the provisions of the Bankruptcy Code.

12. I am not related to, and to the best of my knowledge no other attorney associated with GCP Legal Advisors is a relative of, any Bankruptcy Judge in this District, the United States Trustee, or any person employed by the Office of the United States Trustee.

13. Except as disclosed above, I do not believe that there is any other connection (as such term is used in Bankruptcy Rule 2014(a) between GCP Legal Advisors and the Debtors, creditors, any other party in interest, their respective attorneys and accountants, the United States Trustee, or any person employed by the Office of the United States Trustee.

Pursuant to 28 U.S.C. section 1746, I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge, information, and belief.


Richard A. Keffer

ATTACHMENT 1
Consulting Agreement

CONSULTING AGREEMENT

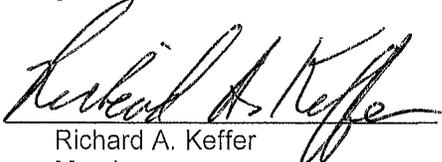
In accordance with the terms of this Consulting Agreement (the "Agreement"), GCP Legal Advisors, LLC ("Consultant") agrees to provide the Services, as defined in paragraph 2 hereof, and Patriot Coal Services LLC (the "Company") agrees to accept and pay for those Services and the Consultant and the Company each undertake certain other obligations, all as provided below.

1. **TERM.** This Agreement shall be in effect July 15, 2013. The Company and Consultant reserve the right to cancel the contract at any time with twenty-four (24) hours' notice. Such cancellation shall not affect obligations contained herein related to services already performed, including, but not limited to, the obligation to compensate Consultant for services or Consultant's obligations related to Confidential Information.
2. **SERVICES.** "Services" hereunder shall mean Consultant's exercise of reasonable efforts in assisting with the roles and responsibilities as defined by the General Counsel or his designee, provided however that the Consultant is not obligated to forego income or incur any expenses not contemplated by this Agreement.
 - a. The company shall provide the Consultant with all materials, access to personnel and access to facilities and computer systems as may be reasonably required by the Consultant to perform the Services requested by the Company.
 - b. Services are to be provided on an "as needed" basis as requested by Company and to the extent Consultant is available and willing to provide such Services.
3. **AGENT OF THE COMPANY FOR PURPOSES OF THIS AGREEMENT.** The General Counsel shall be the agent of the company for the purposes of this Agreement ("Agent"). If the General Counsel designates another person as Agent, he/she will communicate the Agent's name to the Consultant. The Agent shall administer this Agreement on behalf of the company, including requests for Services and approval of invoices pursuant to Paragraph 5 hereof.
4. **COMPENSATION.** The Company shall pay Consultant:
 - a. Consultant shall be compensated as follows:
 - i. Hourly rate of \$250 per hour.
 - ii. In no case shall the cumulative hourly rate exceed a monthly cap of \$20,000.
 - b. The Company shall reimburse the Consultant for all customary and reasonable business expenses, such as hotel accommodations, coach airfare and ground transportation, if incurred in conducting business at the behest of the Company and upon the submission of appropriate receipts and evidence of expenditures.
5. **BILLING AND PAYMENT.** The Company shall remit payments to Consultant for all amounts due under this Agreement upon the basis of invoices sent by Consultant to the Company. Consultant shall support invoices for travel and out-of-pocket expenses with receipts and other documentation reasonably required by the Company. Payments by the Company shall be made within twenty (20) days of receipt of invoices.
6. **CONFIDENTIALITY.** Consultant shall treat all Confidential Information (as defined below) provided by the Company to Consultant on a strictly confidential basis and shall not disclose any information provided to any person without the express permission of the Company. Any breach of this provision on the part of Consultant shall result in an immediate termination of this Agreement.

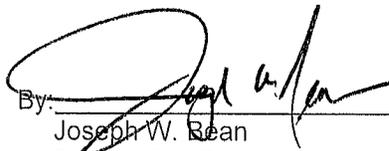
- a. **“Confidential Information”** means all know-how, financial information and other commercially valuable or sensitive information in whatever form. The following are exceptions to such information:
 - i. Information which is lawfully in the public domain prior to its disclosure to a party by another party;
 - ii. Information which enters the public domain otherwise than as a result of an unauthorized disclosure;
 - iii. Information which is or becomes lawfully available to the recipient party from a third party who has the lawful power to disclose such information to the recipient party on a non-confidential basis; and
 - iv. Information which is rightfully known by the recipient party (as shown by its written record) prior to the date of disclosure.
 - b. Each party may disclose Confidential Information of the other party if legally compelled to do so by any judicial or administrative body. The party must promptly inform the other and take all reasonably available legal measures to avoid such disclosure.
 - c. Upon termination or expiry of this Agreement, each party must, at the option of the other party deliver up or destroy all Confidential Information provided by the other party within seven (7) business days.
7. **OPERATIVE PROVISIONS OF THIS AGREEMENT.** This Agreement shall be construed under the laws of the State of Missouri and constitutes the entire understanding between the Consultant and the Company concerning the Services and the matters otherwise stated herein. This Agreement shall not be modified or amended except in writing by an instrument of equal formality hereto. Notice hereunder shall be sent to the parties at the addresses stated for them below, or at such other address as may be specified in writing to the other party hereto. Consultant shall not assign in whole or in part any rights or obligations hereunder without having obtained the prior written consent of the Company.
8. **INDEPENDENT CONTRACTOR.** Nothing herein shall be construed to create an employer-employee relationship between the Company and the Consultant. The Consultant is an independent contractor and not an employee of the Company or any of its subsidiaries or affiliates. The compensation set forth in Paragraph 4 shall be the sole compensation due the Consultant for the services rendered hereunder. It is understood that the Company will not withhold any amounts for payment of taxes from the compensation of the Consultant hereunder. The Consultant will not represent to be or hold himself out as an employee of the Company.
9. **EMPLOYEE BENEFIT PLANS.** Nothing herein shall be construed to provide the Consultant any rights, privileges or duties under any benefit plan of the Company.
10. **LIABILITY**
- a. Neither party will be liable to the other party for any special, indirect or consequential loss or damage, loss of profits, loss of data or loss of business opportunity, suffered in connection with or arising out of the Agreement, whether at common law, under tort (including negligence), in equity, pursuant to statute or otherwise.
 - b. Neither party's aggregate liability under or in relation to this Agreement arising out of any act, omission or event or connected series of acts, omissions or events, will not exceed in aggregate the total amount of compensation received by the Consultant under this Agreement.

Executed and agreed to the 22 day of July, 2013.

GCP Legal Advisors, LLC

By: 
Richard A. Keffer
Member

Patriot Coal Services LLC

By: 
Joseph W. Bean
Senior Vice President – Law & Administration