

Objection Deadline: September 4, 2012 at 4:00 p.m. (prevailing Eastern Time)  
Hearing Date (if necessary): September 11, 2012 at 1:30 p.m. (prevailing Eastern Time)

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

**In re:**

**PATRIOT COAL CORPORATION, *et al.*,**

**Debtors.<sup>1</sup>**

**Chapter 11**

**Case No. 12-12900 (SCC)**

**(Jointly Administered)**

**APPLICATION OF THE DEBTORS FOR AUTHORITY TO  
EMPLOY AND RETAIN BOWLES RICE McDAVID GRAFF & LOVE LLP  
AS SPECIAL COUNSEL FOR THE DEBTORS  
NUNC PRO TUNC TO THE PETITION DATE**

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

**Relief Requested**

1. By this application (the “**Application**”), the Debtors seek an order in the form attached hereto as Exhibit A (the “**Order**”) authorizing the Debtors, pursuant to sections 327(e) and 330 of title 11 of the United States Code (the “**Bankruptcy Code**”), Rule 2014(a) of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”), and Rule 2014-1 of the Local Rules of Bankruptcy Practice and Procedure for the United States Bankruptcy Court for the Southern District of New York (the “**Local Bankruptcy Rules**”) to retain and employ Bowles Rice McDavid Graff & Love LLP (“**Bowles Rice**”), *nunc pro tunc* to the Petition Date (as defined below), as their special counsel to perform

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<sup>1</sup> 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.

legal services that will be required during these chapter 11 cases. The Debtors request that the Court approve the employment of Bowles Rice under the terms and conditions set forth in this Application, as more fully described in the Declaration of Mark B. D'Antoni, a partner of Bowles Rice, annexed hereto as Exhibit B (the "**D'Antoni Declaration**").

### **Background and Jurisdiction**

2. On July 9, 2012 (the "**Petition Date**"), each Debtor commenced with this Court a voluntary case under chapter 11 of the Bankruptcy Code. The Debtors are authorized to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

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, Patriot Coal Corporation's Senior Vice President and Chief Financial Officer, filed 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.

### **Discussion**

5. The Debtors have selected Bowles Rice as their special counsel because of the Firm's extensive experience and knowledge in Energy, Bankruptcy, Commercial, Federal Black Lung, Litigation, Occupational Health and Mining Safety, Environmental and other legal matters and Bowles Rice's longstanding relationship and familiarity with the Debtors and their operations.

6. Bowles Rice is intimately familiar with the Debtors' businesses, coal properties and financial affairs and is well qualified to provide the services required by the Debtors in their chapter 11 cases. Bowles Rice has represented Patriot since 2007 and has represented many of the Debtors which were once affiliated with Peabody Energy (and its predecessors) for more than 20 years on a wide variety of matters. Accordingly, Bowles Rice has significant relevant experience with the Debtors to deal effectively and efficiently with the primary legal issues and problems likely to arise in the context of the Debtors' chapter 11 cases with respect to the matter on which Bowles Rice is to be employed.

7. The Debtors submit that the employment of Bowles Rice is necessary, appropriate and in the best interests of the Debtors, their estates and their creditors under Bankruptcy Code sections 327(e) and 1107 and should therefore be approved.

#### **Scope of Services**

8. The services of Bowles Rice are appropriate and necessary to enable the Debtors to execute their duties as debtors and debtors in possession faithfully and to implement the restructuring and reorganization of the Debtors. Subject to further order of this Court, it is proposed that Bowles Rice be employed to render such legal services as may be requested by the Debtors and able to be performed by Bowles Rice, including:

- 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.

9. To minimize costs, Bowles Rice has been working and will continue to work closely with the Debtors and each of the Debtors' other retained professionals to clearly delineate each professional's respective duties and to prevent unnecessary duplication of services whenever possible.

#### **Compensation**

10. For the services rendered by Bowles Rice, the Debtors propose to pay Bowles Rice at rates that reflect a negotiated discount from the rates that Bowles Rice customarily charges other clients for work of this type, and to reimburse Bowles Rice according to its customary reimbursement policies (subject to the limitations of the Fee Guidelines (as defined below)), and respectfully submit that such rates and policies are reasonable. The applicable rates for timekeepers on this matter are set forth in the D'Antoni Declaration. Typically, Bowles Rice adjusts its rates periodically, generally on January 1 of each year.

11. Bowles Rice holds no retainer against the Debtors. The Debtors currently owe Bowles Rice the amount of \$38,735.55 for prepetition fees and expenses.

12. The Debtors understand that, in connection with the reimbursement of reasonable and necessary expenses, it is Bowles Rice's policy to charge its clients for certain expenses incurred in connection with providing certain client services, including travel, lodging, photocopying, postage, delivery service and other expenses incurred in providing professional services. Bowles Rice intends to seek reimbursement for expenses incurred in connection with the representation of the Debtors in accordance with Bowles Rice's policy, subject to modification as may be required by the Bankruptcy Code, the Bankruptcy Rules, the Local Bankruptcy Rules, the Standing Order Establishing Procedures For Monthly Compensation and Reimbursement of Expenses of Professionals [M-412] (Dec. 21, 2010), the Amended Guidelines for Fees and Disbursements for Professionals in Southern District of New York Bankruptcy Cases [M-389] (Nov. 25, 2009), any order entered in these chapter 11 cases establishing procedures for interim monthly compensation and reimbursement of expenses of professionals, and the United States Trustee Guidelines (collectively, the "**Fee Guidelines**") and any applicable orders of the Court.

13. All of Bowles Rice's fees and expenses incurred during these chapter 11 cases will, except as may otherwise be ordered by the Court, be subject to approval of the Court upon proper application by Bowles Rice in accordance with the Fee Guidelines.<sup>2</sup>

#### **Bowles Rice's Connections**

14. To the best of the Debtors' knowledge, and except as may be set forth in the D'Antoni Declaration, Bowles Rice and its professionals neither represent nor hold

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<sup>2</sup> On July 19, 2012, the Debtors, by motion, requested an Order Establishing Procedures for Interim Monthly Compensation and Reimbursement of Expenses of Professionals, by which professionals would be compensated on an interim basis, which the Court entered on August 2, 2012 [Dkt. No. 262].

any interest adverse to the Debtors or their estates with respect to the matter on which Bowles Rice is to be employed as required by section 327(e) of the Bankruptcy Code.

15. Additionally, to the best of the Debtors' knowledge, and except as may be set forth in the D'Antoni Declaration, none of Bowles Rice's professionals (i) is a relative of the bankruptcy judge approving this Application or any trustee for the Office of the United States Trustee for the Southern District of New York (the "**U.S. Trustee**") or (ii) is connected with the bankruptcy judge approving this Application or the U.S. Trustee.

16. Notwithstanding any matters disclosed in the D'Antoni Declaration, the Debtors' retention of Bowles Rice is appropriate under the Bankruptcy Code.

17. The Debtors have been informed that Bowles Rice will conduct an ongoing review on each June 30 and December 31 that occurs during the Debtors' cases to ensure that no disqualifying circumstances have arisen, and, if any new facts or relationships that Bowles Rice believes should be disclosed to this Court and the parties in interest in these cases are discovered, Bowles Rice will file a supplemental disclosure with the Court and serve such supplemental disclosure on the U.S. Trustee. If any new material, relevant facts or relationships are discovered between review periods, Bowles Rice will promptly file a supplemental disclosure with the Court and serve such supplemental disclosure on the U.S. Trustee.

18. Accordingly, the Debtors believe that Bowles Rice satisfies the requirements for employment as special counsel pursuant to section 327(e) of the Bankruptcy Code.

**Notice**

19. Consistent with the procedures described in the Order Establishing Certain Notice, Case Management and Administrative Procedures entered by the Court on July 16, 2012 [ECF No. 84] (the “**Case Management Order**”), the Debtors will serve notice of this Motion on (a) the Core Parties and (b) the Non-ECF Service Parties (as those terms are defined in the Case Management Order). All parties who have requested electronic notice of filings in these cases through the Court’s ECF system will automatically receive notice of this motion through the ECF system no later than the day after its filing with the Court. A copy of this motion and any order approving it will also be made available on the Debtors’ case information website (located at [www.PatriotCaseInfo.com](http://www.PatriotCaseInfo.com)). In light of the relief requested, the Debtors submit that no further notice is necessary. Pursuant to paragraph 21 of the Case Management Order, if no objections are timely filed and served in accordance therewith, an order granting the relief requested herein may be entered without a hearing.

**No Previous Request**

20. No previous request for the relief sought herein has been made by the Debtors to this or any other court.

WHEREFORE, the Debtors respectfully request that the Court grant the relief  
requested herein and such other and further relief as is just and proper.

Dated: New York, New York  
August 27, 2012

By: /s/ Mark N. Schroeder  
Mark N. Schroeder  
Senior Vice President and  
Chief Financial Officer  
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

## **Exhibit A**

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

**In re:**

**PATRIOT COAL CORPORATION, et al.,**

**Debtors.<sup>1</sup>**

**Chapter 11**

**Case No. 12-12900 (SCC)**

**(Jointly Administered)**

**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**

Upon the application (the “**Application**”)<sup>2</sup> of Patriot Coal Corporation and its subsidiaries that are debtors and debtors in possession in these proceedings (collectively, the “**Debtors**”), pursuant to section 327(e) of title 11 of the United States Code (the “**Bankruptcy Code**”), Rule 2014 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”), and Rule 2014-1 of the Local Rules of Bankruptcy Practice and Procedure for the United States Bankruptcy Court for the Southern District of New York (the “**Local Bankruptcy Rules**”), for authorization to employ and retain Bowles Rice McDavid Graff & Love LLP (“**Bowles Rice**”) as special counsel for the Debtors *nunc pro tunc* to the Petition Date and to compensate Bowles Rice, pursuant to the terms set forth in the Application; and upon the Declaration of Mark B. D’Antoni, a partner of

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<sup>1</sup> The Debtors are the entities listed on Schedule 1 attached to the Application. The employer tax identification numbers and addresses for each of the Debtors are set forth in the Debtors’ chapter 11 petitions.

<sup>2</sup> Unless otherwise defined herein, each capitalized term shall have the meaning ascribed to such term in the Application.

Bowles Rice, filed in support of the Application, annexed to the Application as Exhibit B (the “**D’Antoni Declaration**”); and the Court being satisfied, based on the representations made in the Application and the D’Antoni Declaration, that, as required by section 327(e) of the Bankruptcy Code and section 5002 of the Bankruptcy Rules, Bowles Rice and its professionals neither hold nor represent any interest adverse to the Debtors or their estates with respect to the matter on which Bowles Rice is to be employed; and upon consideration of the Declaration of Mark N. Schroeder, Patriot Coal Corporation’s Senior Vice President and Chief Financial Officer, filed in support of the Debtors’ first-day pleadings on July 9, 2012, [ECF No.4]; and the Court having jurisdiction to consider the Application and the relief requested therein pursuant to 28 U.S.C. § 1334 and the Standing Order M-61 Referring to Bankruptcy Judges for the Southern District of New York Any and All Proceedings Under Title 11, dated July 10, 1984 (Ward, Acting C.J.) as amended by Standing Order M-431, dated February 1, 2012 (Preska, C.J.); and consideration of the Application and the requested relief being a core proceeding that the Bankruptcy Court can determine pursuant to 28 U.S.C. § 157(b); and due and proper notice of the Application having been provided in accordance with the Order Establishing Certain Notice, Case Management and Administrative Procedures entered by the Court on July 16, 2012 [ECF No. 84] and it appearing that no other or further notice need be provided; and the relief requested in the Application being in the best interests of the Debtors and their estates and creditors; and the Court having reviewed the Application [and having held a hearing with appearances of parties in interest noted in the transcript thereof (the “**Hearing**”)]; and the Court having determined

that the legal and factual bases set forth in the Application [and at the Hearing] 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 Application is approved, to the extent provided herein, *nunc pro tunc* to the Petition Date; and it is further

ORDERED that the Debtors are hereby authorized to employ and retain Bowles Rice pursuant to section 327(e) as their special counsel in the Debtors' chapter 11 cases, all as contemplated by the Application and on the terms provided in the Application and the D'Antoni Declaration, as modified herein; and it is further

ORDERED that Bowles Rice is authorized to render the following professional services:

- 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.

and it is further

ORDERED that Bowles Rice shall be compensated for its services and reimbursed for any reasonable and necessary expenses and disbursements in accordance with the rates and disbursement policies as set forth in the Application, the D'Antoni Declaration and in accordance with the applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, the Local Bankruptcy Rules, the Standing Order Establishing Procedures For Monthly Compensation and Reimbursement of Expenses of Professionals [M-412] (Dec. 21, 2010), the Amended Guidelines for Fees and Disbursements for Professionals in Southern District of New York Bankruptcy Cases [M-389] (Nov. 25, 2009), any order entered in these chapter 11 cases establishing procedures for interim monthly compensation and reimbursement of expenses of professionals, and the United States Trustee Guidelines (collectively, the "**Fee Guidelines**") and any other applicable orders of this Court; and it is further

ORDERED that Bowles Rice shall file fee applications for interim and final allowance of compensation and reimbursement of expenses pursuant to the Fee Guidelines; and it is further

ORDERED that ten business days' notice must be provided by Bowles Rice to the Debtors, the United States Trustee and any official committee prior to any increases in the hourly rates set forth in the D'Antoni Declaration, and such notice must be filed with the Court; and it is further

ORDERED that Bowles Rice shall use its best efforts to avoid any inappropriate duplication of services provided by any of the Debtors' other retained professionals in these chapter 11 cases; and it is further

ORDERED that the relief granted herein shall be binding upon any chapter 11 trustee appointed in any of these chapter 11 cases, or upon any chapter 7 trustee appointed in the event of a subsequent conversion of any of these chapter 11 cases to cases under chapter 7; and it is further

ORDERED that Bowles Rice shall not withdraw as the Debtors' counsel prior to the effective date of any chapter 11 plan confirmed in these chapter 11 cases without prior approval of this Court in accordance with Local Bankruptcy Rule 2090-1(e); and it is further

ORDERED that to the extent that there may be any inconsistency between the terms of the Application or the D'Antoni Declaration 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 notice procedures set forth in the Application are good and sufficient notice and satisfy Bankruptcy Rule 9014 by providing the parties with a notice and an opportunity to object and be heard at a hearing; and it is further

ORDERED that this Order shall be immediately effective and enforceable upon its entry; and it is further

ORDERED that this Court retains jurisdiction to hear and determine all matters arising from or related to the implementation and/or interpretation of this Order.

Dated: New York, New York

\_\_\_\_\_, 2012

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THE HONORABLE SHELLEY C. CHAPMAN  
UNITED STATES BANKRUPTCY JUDGE

## **EXHIBIT B**

Bowles Rice McDavid Graff & Love LLP  
600 Quarrier Street, Post Office Box 1386  
Charleston, West Virginia 25325-1386  
Telephone: (304) 347-1100  
Facsimile: (304) 343-2867

*Proposed Counsel to the Debtors  
and Debtors in Possession*

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

**In re:**

**PATRIOT COAL CORPORATION, *et al.*,**

**Debtors.<sup>1</sup>**

**Chapter 11**

**Case No. 12-12900 (SCC)**

**(Jointly Administered)**

**DECLARATION OF MARK B. D'ANTONI AND DISCLOSURE STATEMENT  
OF BOWLES RICE McDAVID GRAFF & LOVE LLP IN SUPPORT OF THE  
APPLICATION OF  
THE DEBTORS TO EMPLOY AND RETAIN BOWLES RICE McDAVID  
GRAFF & LOVE LLP AS SPECIAL COUNSEL FOR THE DEBTORS**

Mark B. D'Antoni declares as follows:

1. I am a partner of Bowles Rice McDavid Graff & Love LLP (“**Bowles Rice**” or the “**Firm**”), a law firm with its principal office at 600 Quarrier Street, Post Office Box 1386, Charleston, West Virginia 25325-1386, and other offices in Martinsburg, West Virginia, Morgantown, West Virginia, Parkersburg, West Virginia, Moundsville, West Virginia, Lexington, Kentucky, Winchester, Virginia, and Canonsburg, Pennsylvania.

<sup>1</sup> The Debtors are the entities listed on Schedule 1 attached to the Application. The employer tax identification numbers and addresses for each of the Debtors are set forth in the Debtors’ chapter 11 petitions.

2. I submit this declaration (the “**Declaration**”) in connection with the application (the “**Application**”), dated August 28, 2012, of the above-captioned debtors and debtors in possession (collectively, the “**Debtors**”) for approval of the Debtors’ retention of Bowles Rice as their special counsel in the above-captioned chapter 11 cases at rates that reflect a negotiated discount from the rates that Bowles Rice customarily charges to its other clients for work of this type, and in accordance with the Firm’s normal reimbursement policies, in compliance with sections 329 and 504 of title 11 of the United States Code (the “**Bankruptcy Code**”), and to provide disclosure required under Rules 2014(a) and 2016(b) of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”). Unless otherwise stated in this Declaration, I have personal knowledge of the facts set forth herein.

3. To the extent it is brought to my attention that any information disclosed herein requires amendment or modification upon Bowles Rice’s completion of further review or as additional party in interest information becomes available to it, I intend to file a supplemental declaration reflecting such amended or modified information.

4. Subject to the qualifications herein and to the best of my knowledge, neither I, nor any attorneys of the Firm represent or hold any interest adverse to the Debtors or their estates with respect to the matter on which Bowles Rice is to be employed.

5. Bowles Rice has in the past represented, currently represents, and may in the future represent, the non-Debtor entities listed on Exhibit 1 (or their affiliates) in matters unrelated to the matter on which Bowles Rice is to be employed in the Debtors’

pending chapter 11 cases. Some of those entities are, or may consider themselves to be, creditors or parties in interest in the Debtors' pending chapter 11 cases or to otherwise have interests in these cases. Bowles Rice does not and will not represent any of the entities listed on Exhibit 1 in matters related to the Debtors' chapter 11 cases.

6. In preparing this Declaration, I relied on information brought to my attention pursuant to procedures Bowles Rice has used to evaluate compliance with the requirements of the Bankruptcy Code and the Bankruptcy Rules regarding the retention of professionals by a debtor under the Bankruptcy Code (the "**Internal Review Procedures**"). Pursuant to the Internal Review Procedures, the Firm has taken or relied upon the following actions to identify the parties relevant to this Declaration and to ascertain Bowles Rice's connection to such parties:

(a) Bowles Rice compared each of the "**Potential Parties In Interest**" in the Debtors' chapter 11 cases identified and contained on a list prepared by Davis Polk & Wardell LLP<sup>2</sup> to the Firm's master records database from its conflicts clearance and billing records, which includes all clients (and former clients) going back at least five (5) years for which any attorney time charges have been billed ("**Records Database**").

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<sup>2</sup> This "Potential Parties In Interest" list contains the Debtors and their affiliates, directors and officers, directors' affiliations, parties to significant litigation and professionals representing them, five percent and greater shareholders and beneficial owners, significant business partners, attorneys, professionals and financial advisors, significant financial institutions (including ordinary-course deposit banking relationships), equipment lessors, significant landlords and lessors, unions, letters of credit and surety bond providers and beneficiaries, significant taxing authorities, significant suppliers, shippers, warehousemen, customers and vendors, insurers, secured and unsecured creditors, utilities, trustees, and regulatory agencies.

(b) Any matches between the Records Database and the list of Potential Parties In Interest were identified (“**Client Matter List**”).

(c) An attorney then reviewed the Client Matter List and deleted individuals or entities that Bowles Rice does not currently represent and has not represented in the last two years. The remaining individuals or entities are set forth on Exhibit 1 attached hereto.

(d) A general inquiry was sent to all Bowles Rice attorneys by electronic mail asking them to disclose any of the following:

1) Any known personal connections between any of the attorneys at Bowles Rice with the Debtors or with the Potential Parties In Interest.

2) Any known connections or representation by Bowles Rice attorneys of any of the Potential Parties In Interest in matters relating to the Debtors.

3) Any relationship between any of the Bowles Rice attorneys with any bankruptcy judge in the bankruptcy proceeding.

4) Any other conflict or reason why Bowles Rice may be unable to represent the Debtors.

7. Disclosure with respect to any connections Bowles Rice has or has had with the Debtors, their significant creditors, or any other significant potential parties in interest, any of their respective attorneys and accountants, the Office of the United States Trustee for the Southern District of New York (the “**U.S. Trustee**”) or any employee of

that office, insofar as I know or have been able to ascertain after reasonable inquiry, is set forth below:

(a) None of the Potential Parties In Interest, together with their affiliates, accounted for more than 1% of Bowles Rice's revenues during the 12 months ended June 2012. In addition, Bowles Rice does not represent any of the Potential Parties In Interest identified on Exhibit 1 in matters related to the Debtors chapter 11 cases.

(b) Partners, counsel and associates of Bowles Rice, including the Bowles Rice attorneys that may be engaged in Bowles Rice's representation of the Debtors, were in the past employed by various Potential Parties In Interest, or, when previously employed by other professional services firms, may have performed services for various Potential Parties In Interest. I do not believe any such connections would in any way affect Bowles Rice's ability to effectively represent the Debtors.

(c) It is possible that former attorneys with Bowles Rice are, or were, after leaving Bowles Rice, affiliated with various Potential Parties In Interest. However, I do not personally know of any such connections and do not believe any such connection would in any way affect Bowles Rice's ability to effectively represent the Debtors.

(d) Bowles Rice appears in cases, proceedings and transactions involving many different attorneys, accountants, financial consultants and investment bankers, some of which have represented in the past, represent now or

may represent in the future claimants and other parties in interest in these cases.

Bowles Rice is not aware of any relationship it has with any such attorneys, accountants, financial consultants and investment bankers that would be adverse to the Debtors or their estates.

(e) It is possible that certain Potential Parties In Interest have provided, and in some cases continue to provide, services to Bowles Rice.

(f) In addition to the foregoing, after reasonable inquiry, I do not believe there is any connection between Bowles Rice and the bankruptcy judge approving the Application, the U.S. Trustee or any person known by me to be employed as an attorney with the U.S. Trustee.

(g) The Debtors currently owe attorneys at Bowles Rice the amount of \$38,735.55 for prepetition fees and expenses.

(h) Bowles Rice attorneys invest in a broad array of mutual funds, some number of which either currently or may, in the future, own securities of Patriot Coal Corporation or some of its creditors. Further, some Bowles Rice attorneys may own *de minimus* shares of stock in some of the Potential Parties In Interest.

8. The Debtors have been informed that Bowles Rice will conduct an ongoing review of its files on each June 30 and December 31 that occurs during the Debtors' cases to ensure that no disqualifying circumstances have arisen, and, if any new facts or relationships that Bowles Rice believes should be disclosed to this Court and the parties in interest in these cases are brought to my attention, Bowles Rice will file a

supplemental disclosure with the Court and serve such supplemental disclosure on the Office of the United States Trustee for the Southern District of New York. If any new material, relevant facts or relationships are discovered between the June 30 and December 31 review periods, Bowles Rice will promptly file a supplemental disclosure with the Court and serve such supplemental disclosure on the U.S. Trustee.

9. Bowles Rice will be compensated at rates that generally reflect a 20% to 35% discount (depending upon the type of legal services rendered) from the rates that Bowles Rice customarily charges other clients for work of this type. As of the Petition Date, the applicable rates for timekeepers on matters for the Debtors (which rates reflect the above discounts) were \$100 to \$300 per hour for attorneys and \$35 to \$125 per hour for paralegals. Bowles Rice does not hold any retainer against the Debtors.

10. It is Bowles Rice's policy to charge its clients for certain expenses incurred in connection with providing certain client services, including, without limitation, travel, lodging, photocopying, postage, delivery service and other expenses incurred in providing professional services. Bowles Rice intends to seek reimbursement for expenses and disbursements incurred in connection with the representation of the Debtors in accordance Bowles Rice's policies and in accordance with the applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, the Local Bankruptcy Rules, the Standing Order Establishing Procedures For Monthly Compensation and Reimbursement of Expenses of Professionals [M-412] (Dec. 21, 2010), the Amended Guidelines for Fees and Disbursements for Professionals in Southern District of New York Bankruptcy Cases [M-389] (Nov. 25, 2009), any order entered in these chapter 11

cases establishing procedures for interim monthly compensation and reimbursement of expenses of professionals, and the United States Trustee Guidelines (collectively, the “**Fee Guidelines**”) and any other applicable orders of this Court.

11. No promises have been received by Bowles Rice, or, to the best of my knowledge after due inquiry, any [partner, counsel, or associate] thereof, as to payment or compensation in connection with these cases other than in accordance with the provisions of the Bankruptcy Code, the Bankruptcy Rules, the Local Bankruptcy Rules and the U.S. Trustee Guidelines. Bowles Rice has no agreement with any other entity to share with such entity any compensation received by Bowles Rice or by such entity.

12. Bowles Rice intends to apply pursuant to section 330 of the Bankruptcy Code for allowances of compensation for professional services rendered in these chapter 11 cases and for reimbursement of actual and necessary expenses incurred in connection therewith in accordance with the provisions of the Bankruptcy Code, the Bankruptcy Rules, the Local Bankruptcy Rules, the Fee Guidelines and any other applicable orders of the Court.

13. The foregoing constitutes the statement of Bowles Rice pursuant to sections 327(e), 329 and 504 of the Bankruptcy Code and Bankruptcy Rules 2014(a) and 2016(b).

14. Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct, and that this Declaration was executed on August 27, 2012.

/s/ Mark B. D'Antoni

Mark B. D'Antoni  
Bowles Rice McDavid Graff & Love LLP  
600 Quarrier Street, Post Office Box 1386  
Charleston, West Virginia 25325-1386

## **EXHIBIT 1**

**Exhibit 1 to D'Antoni Declaration<sup>1</sup>**

Allen Guthrie Thomas  
Bryan Cave  
Citigroup Global  
Dinsmore & Shohl LLP  
Greenberg Traurig  
Jackson Kelly  
Robinson McElwee  
Steptoe & Johnson  
Bank of America, N.A.  
Citigroup Global Markets Inc.  
Comerica Bank & Trust, N.A.  
Fifth Third Bank  
PNC Bank  
Sovereign Bank  
Bank of the West  
Cecil I. Walker Machinery Co.  
American Electric Power  
Bayer Cropscience  
Blue Cross  
Highmark West Virginia, Inc.  
Brody Mining LLC  
Eastman Kodak  
Hunter Trucking  
Flagstar Bank  
General Electric Capital  
Key Equipment  
Huntington National Bank  
Joy Technologies, Inc.  
Merrill Lynch  
Alderson Heirs  
Ark Land  
Boone East Development Co.  
Elk Run Coal Company  
Horse Creek Land & Mining Company  
Pardee Minerals LLC  
Pocahontas Land Corporation  
Rowland Land Co., Ltd.  
CNA Surety  
Federal Insurance Company

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<sup>1</sup> Bowles Rice currently represents, or has represented within the past two years, the entities listed on this Exhibit 1 or one or more of their affiliates.

St. Paul Travelers Companies  
Continental Insurance Company  
Arch Coal, Inc.  
Thyssenkrupp Elevator  
Jennmar Corporation  
Nelson Brothers LLC  
Petroleum Products, Inc.  
Progress Energy Service Company  
Tata Steel  
Vitol Inc.  
XCoal Energy & Resources  
ACE USA Claims  
AIG  
Axis Insurance  
CNA Insurance Company  
The Hartford Insurance Group  
Liberty International  
Liberty Mutual Insurance Companies  
XL Insurance  
Zurich U.S.  
Allegheny Power System, Inc.  
JMAC Leasing, Inc.  
Nelson Brothers LLC  
Powell Construction Company  
Citynet LLC  
Monongahela Power  
Verizon  
Waste Management  
West Virginia American Water  
Alpha Natural Resources  
Island Creek Corporation  
Massey Energy Corporation  
Peabody Coal Company  
Caterpillar, Inc.  
P & H Mining Equipment  
United States of America  
Whayne Supply Company  
Arch Coal Sales Company, Inc.  
Arch Coal, Inc. – Vindex Energy Mine Inc