

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.¹

Chapter 11

Case No. 12-12900 (SCC)

(Jointly Administered)

**APPLICATION OF THE DEBTORS FOR AUTHORITY TO
EMPLOY AND RETAIN JACKSON KELLY PLLC
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 Jackson Kelly PLLC (“**Jackson Kelly**”), *nunc pro tunc* to the

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.

Petition Date (as defined below), as their special counsel to perform legal services that will be required during these chapter 11 cases. The Debtors request that the Court approve the employment of Jackson Kelly under the terms and conditions set forth in this Application, as more fully described in the Declaration of Michael T. Cimino, a Member of Jackson Kelly, annexed hereto as Exhibit B (the “**Cimino 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 Jackson Kelly as special counsel because of Jackson Kelly’s expertise in mining and environmental law and related litigation in the states of West Virginia and Kentucky as well as Jackson Kelly’s historical representation of Patriot in such matters and their experience and involvement in ongoing, prepetition

litigation. Jackson Kelly presently represents the Debtors in defending ongoing coal mine safety and health, federal black lung, and environmental matters that are not stayed by the automatic stay. Additionally, Jackson Kelly has, prior to the Petition Date, defended one or more of the Debtors in litigation that was stayed as of the Petition Date.

6. Jackson Kelly is intimately familiar with the aspects of the Debtors' businesses in which it represents the Debtor and is well qualified to provide the services required by the Debtors in their chapter 11 cases. Jackson Kelly has represented Patriot since it was spun off from Peabody Energy Corporation, in thousands of matters. Accordingly, Jackson Kelly 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 matters on which Jackson Kelly is to be employed.

7. The Debtors submit that the employment of Jackson Kelly 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 Jackson Kelly 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 Jackson Kelly be employed to render such legal services as may be requested by the Debtors and able to be performed by Jackson Kelly, including preparing and filing on behalf of the Debtors all necessary or appropriate motions, applications, answers, orders, reports and other papers in connection with:

- (a) Environmental matters relating to the Debtors' many coal leases, coal property, mines and other properties and installations;
- (b) Mine safety and health matters, including alleged violations of the Mine Safety and Health Act;
- (c) The defense of Federal Black Lung cases;
- (d) The defense of West Virginia deliberate intent litigation (in which West Virginia employees are permitted to bring actions against employers, under certain circumstances, regardless of workers compensation laws);
- (e) Litigation on behalf of one or more of the Debtors as a party plaintiff;
- (f) Litigation on behalf of one or more of the Debtors as a party defendant;
- (g) Local real estate and commercial transactions, as needed from time to time, which will not duplicate services provided by the Debtors' other counsel;
- (h) Local legislative and lobbying services; and
- (i) Representation of one or more of the debtors in arbitration issues.

9. In order to prevent defaults and other adverse consequences, Jackson Kelly has continued to represent the Debtors on unstayed matters for which representation has been necessary subsequent to the Petition Date.

10. To minimize costs, Jackson Kelly 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

11. For the services rendered by Jackson Kelly, the Debtors propose to pay Jackson Kelly at rates that reflect a negotiated discount from the rates that Jackson Kelly customarily charges other clients for work of this type, and to reimburse Jackson Kelly 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 Cimino Declaration.

12. The Debtors understand that, in connection with the reimbursement of reasonable and necessary expenses, it is Jackson Kelly's policy to charge its clients for certain expenses incurred in connection with providing certain client services, including travel, lodging, photocopying, postage, vendor charges, delivery service and other expenses incurred in providing professional services. Jackson Kelly intends to seek reimbursement for expenses incurred in connection with the representation of the Debtors in accordance with Jackson Kelly'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 Jackson Kelly'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 Jackson Kelly in accordance with the Fee Guidelines.²

Jackson Kelly's Connections

14. To the best of the Debtors' knowledge, Jackson Kelly and its professionals neither represent nor hold any interest adverse to the Debtors or their estates with respect to the matters on which Jackson Kelly is to be employed as required by section 327(e) of the Bankruptcy Code. A few Jackson Kelly Members held small amounts of Patriot Coal Corporation common stock (less than 1/100 of 1%) and one Member and his wife owned a small interest in two minor coal leases held by one of the Debtors, but these holdings and interests have been disposed of, and there are no longer any such holdings and interests owned by Jackson Kelly lawyers.

15. Additionally, to the best of the Debtors' knowledge, none of Jackson Kelly'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 Jackson Kelly's representation of certain parties in interest on matters entirely unrelated to the matters for which Jackson Kelly is to be employed by

² 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].

the Debtors, the Debtors' retention of Jackson Kelly is appropriate under the Bankruptcy Code.

17. The Debtors have been informed that Jackson Kelly will conduct an ongoing review to ensure that no disqualifying circumstances have arisen, and, if any new facts or relationships that Jackson Kelly believes should be disclosed to this Court and the parties in interest in these cases are discovered, Jackson Kelly 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, Jackson Kelly 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 Jackson Kelly 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). 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.¹

Chapter 11

Case No. 12-12900 (SCC)

(Jointly Administered)

**ORDER AUTHORIZING THE EMPLOYMENT
AND RETENTION OF JACKSON KELLY PLLC
AS SPECIAL COUNSEL FOR THE DEBTORS
NUNC PRO TUNC TO THE PETITION DATE**

Upon the application (the “**Application**”)² of Patriot Coal Corporation and its subsidiaries that are debtors and debtors in possession in these proceedings (collectively, the “**Debtors**”), pursuant to sections 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 Jackson Kelly PLLC (“**Jackson Kelly**”) as special counsel for the Debtors *nunc pro tunc* to the Petition Date and to compensate Jackson Kelly, pursuant to the terms set forth in the Application; and upon the Declaration of Michael T. Cimino, a Member of Jackson Kelly, filed in

¹ 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 Unless otherwise defined herein, each capitalized term shall have the meaning ascribed to such term in the Application.

support of the Application, annexed to the Application as Exhibit B (the “**Cimino Declaration**”); and the Court being satisfied, based on the representations made in the Application and the Cimino Declaration, that, as required by section 327(e) of the Bankruptcy Code and section 5002 of the Bankruptcy Rules, Jackson Kelly and its professionals neither hold nor represent any interest adverse to the Debtors or their estates with respect to the matters on which Jackson Kelly 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 Jackson Kelly 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 Cimino Declaration; and it is further

ORDERED that Jackson Kelly is authorized to render professional services including to prepare and file on behalf of the Debtors all necessary or appropriate motions, applications, answers, orders, reports and other papers in connection with:

- (a) Environmental matters relating to the Debtors' coal leases, coal property, mines and other properties and installations;
- (b) Mine safety and health matters, including alleged violations of the Mine Safety and Health Act;
- (c) The defense of Federal Black Lung cases;
- (d) The defense of West Virginia deliberate intent litigation;
- (e) Litigation on behalf of one or more of the Debtors as a party plaintiff;
- (f) Litigation on behalf of one or more of the Debtors as a party defendant;
- (g) Local real estate and commercial transactions, as needed from time to time, which may not duplicate services provided by the Debtors' other counsel;

- (h) Local legislative and lobbying services; and
- (i) Representation of one or more of the debtors in arbitration issues.

and it is further

ORDERED that Jackson Kelly 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 Cimino 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 Jackson Kelly 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 Jackson Kelly to the Debtors, the United States Trustee and any official committee prior to any increases in the hourly rates set forth in the Cimino Declaration, and such notice must be filed with the Court; and it is further

ORDERED that Jackson Kelly 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 Jackson Kelly shall not withdraw as the Debtors' Special 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 Cimino 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

THE HONORABLE SHELLEY C. CHAPMAN
UNITED STATES BANKRUPTCY JUDGE

EXHIBIT B

JACKSON KELLY PLLC
500 Lee Street, East; Suite 1600 (25301)
Post Office Box 553
Charleston, West Virginia 25322
Telephone: (304) 340-1299
Facsimile: (304) 340-1050
Michael T. Cimino
William F. Dobbs, Jr.

*Proposed Special 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.¹

Chapter 11

Case No. 12-12900 (SCC)

(Jointly Administered)

**DECLARATION OF MICHAEL T. CIMINO AND
DISCLOSURE STATEMENT OF JACKSON KELLY PLLC
IN SUPPORT OF THE APPLICATION OF THE DEBTORS
TO EMPLOY AND RETAIN JACKSON KELLY PLLC
AS SPECIAL COUNSEL FOR THE DEBTORS**

Michael T. Cimino declares as follows:

1. I am a Member of Jackson Kelly PLLC (“**Jackson Kelly**” or the “**Firm**”), a law firm with its principal office at Charleston, West Virginia, and other offices in Clarksburg, West Virginia, Martinsburg, West Virginia, Morgantown, West Virginia, Wheeling, West Virginia, Denver, Colorado, Evansville, Indiana, Indianapolis, Indiana, Lexington, Kentucky, Canton, Ohio, Pittsburgh, Pennsylvania, and Washington, DC.

¹ 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 __, 2012, of the above-captioned debtors and debtors in possession (collectively, the “**Debtors**”) for approval of the Debtors’ retention of Jackson Kelly as their special counsel in the above-captioned chapter 11 cases at rates that reflect a negotiated discount from the rates that Jackson Kelly 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 Jackson Kelly’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, Jackson Kelly, nor any Member, counsel to, associate, or staff attorney of the Firm represent or hold any interest adverse to the Debtors or their estates with respect to the matters on which Jackson Kelly is to be employed. Jackson Kelly does represent Rhino Energy, LLC, a joint venture partner of the Debtors, to provide advice in connection with the bankruptcy proceedings of the Debtor, pursuant to an express waiver by the Debtors’ General Counsel, but such waiver and representation are limited and do not include the involvement of Jackson Kelly in any litigation, arbitration or mediation against the Debtors. Such representation by Jackson Kelly is

wholly unrelated to any matter in which Jackson Kelly would be retained as special counsel for the Debtors under 11 U.S.C. § 327(e).

5. Jackson Kelly has in the past represented, currently represents, and may in the future represent, entities that are claimants or interest holders of the Debtors in matters unrelated to the matter on which Jackson Kelly is to be employed in the Debtors' pending chapter 11 cases. Jackson Kelly, which employs more than 190 attorneys, has a large and diversified legal practice that encompasses many coal companies and other commercial corporations. 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. Except as disclosed in paragraph 5 hereof, Jackson Kelly does not and will not represent any of those entities 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 Jackson Kelly 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 the following actions to identify the parties relevant to this Declaration and to ascertain Jackson Kelly's connection to such parties:

(a) Jackson Kelly compared the list prepared by the Debtors and Davis Polk & Wardwell, LLP of 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, equipment lessors, significant landlord 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 (the “**Potential Parties In Interest**”).

(b) Jackson Kelly compared each of the Potential Parties In Interest to Jackson Kelly’s master records database from its conflict clearance and billing records, which includes all clients (and former clients going back at least five years) for which any attorney time charges have been billed (the “**Records Database**”). The Records Database includes the name of each current or former client; and, for each significant current or former matter for each client or former client, the names of Jackson Kelly personnel identified at the time such matter was opened as responsible for such matter and, in most instances, a list of the names of the other parties directly relevant to such matter. It is the policy of Jackson Kelly that no new matter may be accepted or opened without completing and submitting to those charged with maintaining the Records Database the information necessary to check each such matter for conflicts, including the identity of the prospective client, the matter and other relevant parties. Accordingly, the Records Database is regularly updated for every new client retaining Jackson Kelly and significant matters undertaken for such client.

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

(d) Jackson Kelly then reviewed the Client Match List and deleted individuals or entities that Jackson Kelly does not presently represent. The remaining individuals or entities are set forth on Exhibit I attached hereto. Jackson Kelly does not and will not represent any of the entities set forth on Exhibit I with respect to matters related to these chapter 11 cases, except

as disclosed in paragraph 4 hereof, but in no event in connection with any matters for which Jackson Kelly represents or would represent the Debtors.

(e) A general inquiry was sent to all Jackson Kelly attorneys by electronic mail asking them whether any of them or their immediate family members were ever employed by any of the Debtors or own any securities of the Debtors. In addition, the inquiry asked whether any Jackson Kelly attorney (i) has any connections to the Debtors that are relevant to Jackson Kelly's engagement, (ii) is related to or has any connections to bankruptcy judges in the Southern District of New York, or (iii) is related to or has any connections to any attorney known to be working in the Office of the United States Trustee for the Southern District of New York.

7. Disclosure with respect to any connections Jackson Kelly has or has had with the Debtors, their significant creditors, or any other significant potential parties in interest, any of their respective officers 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) Ten (10) groups of affiliated companies, composed of twenty (20) of the Potential Parties In Interest, each accounted for more than 1% of Jackson Kelly's revenues during the 12 months ended June 2012 (the "1% Clients"). Jackson Kelly has considered the position of each of the 1% Clients in the Debtors' cases and concluded that Jackson Kelly's representation of the Debtors does not create any conflict of interest with the 1% Clients.

(b) Shane Harvey, a Member of Jackson Kelly, who may be engaged in Jackson Kelly's representation of the Debtors, was in the past employed by Alpha

National Resources, Inc. I do not believe such past connection would in any way affect Jackson Kelly's ability to effectively represent the Debtors.

(c) It is possible that former Jackson Kelly lawyers are, or were, after leaving Jackson Kelly, 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 Jackson Kelly's ability to effectively represent the Debtors.

(d) Jackson Kelly 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. Jackson Kelly 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, except as disclosed in paragraph 4.

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

(f) In addition to the foregoing, after reasonable inquiry, I do not believe there is any connection between Jackson Kelly 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) A few Jackson Kelly Members held small amounts of Patriot Coal Corporation common stock (aggregating less than 1/100 of 1%), and one Member and his wife owned a small interest in two minor coal leases held by one of the Debtors, but those

holdings and interests have been disposed of, and there are no longer any such holdings and interests owned by Jackson Kelly lawyers.

8. The Debtors have been informed that Jackson Kelly 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 Jackson Kelly believes should be disclosed to this Court and the parties in interest in these cases are brought to my attention, Jackson Kelly 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, Jackson Kelly will promptly file a supplemental disclosure with the Court and serve such supplemental disclosure on the U.S. Trustee.

9. Jackson Kelly will be compensated at rates that reflect at least a 15% discount, for the lawyers expected to provide the representation of the Debtor on matters for which employment is sought, from the rates that Jackson Kelly customarily charges other clients for work of this type. As of the Petition Date, the applicable rates for Jackson Kelly timekeepers were \$175 to \$395 for Members, \$145 to \$250 for Associates and Staff Attorneys, \$199.75 to \$325 for Counsel, and \$64 to \$150 for paraprofessionals and staff.

10. It is Jackson Kelly's policy to charge its clients for certain expenses incurred in connection with providing certain client services, including, without limitation, travel, lodging, photocopying, postage, vendor charges, delivery service and other expenses incurred in providing professional services. Jackson Kelly intends to seek reimbursement for expenses and disbursements incurred in connection with the representation of the Debtors in accordance

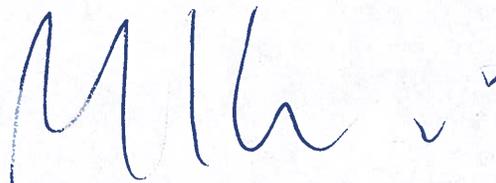
Jackson Kelly's policies and in accordance with the applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, the Local Bankruptcy Rules, the Standing Order Establishing Procedures For Monthly Compensation and Reimbursement of Expenses of Professionals [M-412] (Dec. 21, 2010), the Amended Guidelines 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 Jackson Kelly, 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. Jackson Kelly has no agreement with any other entity to share with such entity any compensation received by Jackson Kelly or by such entity.

12. Jackson Kelly 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 Michael T. Cimino 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 27th, 2012.

A handwritten signature in blue ink, appearing to read "M. Cimino", with a small checkmark to the right.

Michael T. Cimino, Member
Jackson Kelly PLLC