

**UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MISSOURI
EASTERN DIVISION**

In re:

PATRIOT COAL CORPORATION, *et al.*,

Debtors.

Chapter 11

Case No. 12-51502-659

(Jointly Administered)

**FIRST MONTHLY STATEMENT OF FEES AND EXPENSES OF VERITAS
CONSULTING, LLC, AS SPECIAL COUNSEL FOR THE DEBTORS FOR THE
PERIOD AUGUST 15, 2013 THROUGH SEPTEMBER 30, 2013**

Veritas Consulting, LLC (“Veritas”), as special counsel of Patriot Coal Corporation and debtors-in-possession (the “Debtors” or the “Company”) in the above-entitled Chapter 11 case, submits this first statement (the “Monthly Statement”) of fees and expenses for the period August 15, 2013 through September 30, 2013 in accordance with the Order to Establish Procedures for Interim Monthly Compensation and Reimbursement of Expenses of Professionals, entered August 2012 [Docket No. 262](the “Interim Compensation Order”).

Veritas’ fees in this case are earned at a flat rate of \$33,334.00 per month. Total Veritas fees for this period were \$50,001.00, reflecting the last two weeks of August and the full month of September. Veritas’ expenses for this period were \$7,999.00 (limited to airfare, airport transportation and lodging).

Payment now sought by the Statement is fees of \$40,000.20 (80% of the fees above) and expenses of \$7,999.00. A copy of the invoice (with a summary of expenses) is attached hereto as Exhibit “A”.

Although every effort has been made to include all fees and expenses from this period in this Monthly Statement, some expenses from this period might not be included in the Monthly Statement due to delays caused by accounting and processing procedures. Veritas reserves the right to seek such additional expenses in subsequent fee applications.

In support of the Monthly Statement, Veritas states as follows:

1. The Debtors filed voluntary petitions for relief under Chapter 11 of the Bankruptcy Code on July 9, 2012, and are operating their businesses and managing their affairs as debtors-in-possession pursuant to Bankruptcy Code sections 1107(a) and 1108.
2. On or about July 17, 2013, Debtors filed their motion to employ Veritas as their special counsel to provide services on the basis of compensation at a flat rate of 33,333.00 per month (the "Monthly Fees"), commencing on August 15, 2013, and reimbursement of certain out-of-pocket expenses incurred and paid by Veritas in connection with such services.
3. On July 26, 2013, the Honorable Kathy A. Surratt-States of the Eastern District of Missouri entered an order approving Veritas' retention effective August 15, 2013 (the "Retention Order").
4. Veritas and its principal have extensive expertise and experience in providing counsel in complex regulatory and legal matters. Veritas and/or its principal has provided advice and counsel regarding selenium issues and related litigation and compliance matters since 2006, and are well acquainted with and have developed extensive experience regarding various court orders,

consent decrees and compliance strategies. Veritas' efforts have been instrumental in obtaining a critical settlement and implementation thereof.

5. During this period, Veritas' principal, Richard Verheij, has performed substantial services on behalf of the Debtors.
6. Veritas was retained by the Debtors to provide advice and counsel in connection with: (1) selenium related litigation, including various court orders and consent decrees, (2) working with engineering firms to identify and develop alternative selenium treatment systems, (3) obtaining approval from court-appointed Special Master for treatment systems to achieve compliance with court-ordered deadlines, and (4) negotiating key settlements and consent decrees with environmental non-governmental groups and implementation thereof.
7. Veritas is compensated on a flat monthly fee basis (not hourly). However, for informational purposes, and consistent with the terms of the Retention Order, attached hereto as Exhibit "B" is a summary of the estimated hours worked during this period categorized by activity.
8. All of the services for which compensation is requested herein were performed on behalf of the Debtors in the above-entitled case and not on behalf of any other person or entity.

Dated at Charleston, West Virginia this 22nd day of October 2013.

/s/ Richard Verheij
Veritas Consulting, LLC
Special Counsel for the Debtors
By: Richard Verheij
Principal

**Exhibit A:
Billing Summary**

October 22, 2013

Patriot Coal Corporation
12312 Olive Boulevard
St. Louis, Missouri 63141

Professional Fees:

Retainer Fee for the Period August 14-September 30, 2013:	\$ 50,001.00	
Less 20% Holdback:	<u>(10,000.20)</u>	
Net Professional Fees Due:		\$40,000.20

Out-of-pocket expenses:

Airfare (all economy)	\$ 4610.60	
Lodging	3158.40	
Ground transportation (airport bus)	<u>230.00</u>	
Subtotal expenses:		<u>\$ 7,999.00</u>
TOTAL AMOUNT DUE AND PAYABLE:		<u>\$47,999.20</u>

Please send checks to:
Richard H. Verheij
1486 Cantera Avenue
Santa Barbara, CA 93110

**Exhibit B:
Detailed Hours Summary**

August 15, 2013-September 30, 2013

<u>Date</u>	<u>Activity</u>	<u>Hours</u>
8-15	Review water evaporator systems	1.50
	Review prior Category I tech selection	.50
	Review Category I selection emails	.50
	Review Apogee Operations Manual	1.00
8-16	Review Duke research re: Hobet	.50
	Review/edit minutes of accounting review	.75
	Conference re: NRP notice	1.00
	Review Apogee Operations Manual	1.00
8-19	Review Bowen final billing	.25
	Review revised BCR GANTT charts	1.50
	Review Apogee Operations Manual	1.00
8-20	Review category selection in Consent Decree	2.50
	Review Special Master's memo	2.00
8-21	Review Apogee parameter report	.25
	Review revised BCR GANTT charts	1.50
	Conference re: Category I selection	1.00
8-22	Conference re: Category I selection	1.00
	Review Sierra Club letter re: Kentucky	.50
	Review Panther compliance schedule	.50
	Review Outlet 84 GANTT chart	.50
	Review Apogee Operations Manual	1.00
8-26	Review/edit Category I selection	1.00
	Review ARIES isotopic report	.50
8-27	Review/edit Category I selection	1.00
	Review Outlet 44 NOV	.50
	Review category selection in Consent Decree	2.00
8-28	Conference re: Category I selection	3.50
	Review/edit selenium reg briefing	1.00
8-30	Final review/submit Category I selection	2.50
9-3	Review/edit Special Master report	.50

	Review category selection in Consent Decree	2.00
9-4	Review/edit IFSeR Category II/III application	2.00
9-5	Accounting/selenium liability review	1.75
9-9	Review/edit Hobet Special Master report	.50
	Review emails re: Special Master reviews	1.50
9-10	Special Master conf. re: Apogee	.50
	Special Master conf. re: Hobet 22	.50
	Conference with Al Meeks	.50
	Conference re: CH2M Hill payments	1.00
9-11	Conference with CH2M Hill	.50
	Review/edit IFSeR Category II/III application	2.00
	Review Apogee NOV	.75
9-12	Review selenium update presentation	.75
	Review selenium concentration data	2.50
9-13	Conference re: IFSeR Category II/III submission	3.00
9-16	Prep for meeting with plaintiffs' counsel	3.50
	Review Consent Decree Bi-monthly report	1.25
9-17	Meeting with plaintiffs' counsel in Lewisburg	8.50
9-18	Conference re: NRP notice	1.50
	Conference with CH2M Hill	.50
	Review DEP bi-monthly report	.50
9-19	Review Apogee NOV sampling data	1.00
9-23	Review/edit IFSeR Category II/III submission	2.50
	Review Special Master report/invoices	1.00
	Review Apogee NOV extension request	.25
9-24	Accounting/selenium review conference	1.50
	Review Apogee cost report for Special Master	1.00
	Review Apogee DMR report for Special Master	1.00
	Review Kanawha PSD report	.50
9-25	Submit Apogee cost report to Special Master	.50
	Review Apogee NOV	1.50
	Review/edit IFSeR Category II/III submission	3.00

	Finalize Apogee DMR report for Special Master	.50
	Review Apogee Biomass report	.50
9-26	Review/edit IFSeR Category II/III submission	1.50
9-27	Review BCR base case cost estimate/spreadsheet	2.00
	Review BCR liner procedures	.50
9-30	Finalize IFSeR Category II/III certification	3.00
	Review LRPB letter	<u>.50</u>
	TOTAL	90.50