

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

**In re:**

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

**Debtors.**

**Chapter 11  
Case No. 12-51502-659  
(Jointly Administered)**

**Objection Deadline:  
February 17, 2014 at 4:00 p.m.  
(prevailing Central Time)**

**Hearing Date (if necessary):  
March 25, 2014 at 10:00 a.m.  
(prevailing Central Time)**

**Hearing Location:  
Courtroom 7 North**

**SUMMARY SHEET PURSUANT TO UNITED STATES TRUSTEE GUIDELINES  
AND LOCAL RULES FOR REVIEWING APPLICATIONS FOR  
COMPENSATION AND REIMBURSEMENT OF EXPENSES FILED UNDER  
11 U.S.C. §§ 330 AND 331**

**FOURTH AND FINAL FEE APPLICATION**

<b>NAME OF APPLICANT:</b>	Davis Polk & Wardwell LLP
<b>TIME PERIODS:</b>	Fourth Compensation Period: August 1, 2013 through and including December 31, 2013 Entire Compensation Period: July 9, 2012 through and including December 31, 2013
<b>ROLE IN THE CASE:</b>	Counsel to the Debtors and Reorganized Debtors
<b>CURRENT APPLICATION<sup>1</sup>:</b>	Total Fees Requested for Fourth Compensation Period: \$7,970,222.25 Total Expenses Requested for Fourth Compensation Period: \$90,466.73

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<sup>1</sup> These amounts reflect (i) voluntary reductions of fees and expenses of \$34,588.03, (ii) reductions of fees and expenses on account of the Local Rules and UST Guidelines (as defined below) of \$82,388.44 and (iii) \$15,690.00 in further fee concessions agreed to by Davis Polk with respect to certain litigation work, as reflected in Davis Polk's monthly fee statements.

Total Fees Requested for Entire Compensation  
Period: \$39,663,674.00

Total Expenses Requested for Entire Compensation  
Period: \$906,747.20

**PRIOR APPLICATIONS:**

**July 9, 2012 – September 30, 2012**

Fees Previously Requested: \$8,145,882.50

Fees Previously Allowed: \$7,974,882.50

Expenses Previously Requested: \$272,375.68

Expenses Previously Allowed: \$272,375.68

**October 1, 2012 through January 31, 2013**

Fees Previously Requested: \$8,935,027.00

Fees Previously Allowed: \$8,795,027.00

Expenses Previously Requested: \$220,793.09

Expenses Previously Allowed: \$216,383.15

**February 1, 2013 through July 31, 2013**

Fees Previously Requested: \$14,923,542.25

Fees Previously Allowed: \$14,923,542.25

Expenses Previously Requested: \$345,862.02

Expenses Previously Allowed: \$327,521.64

**I. Partners/Counsel (for the Fourth Compensation Period and the Entire Compensation Period)**

NAME OF PARTNER/ COUNSEL	YEAR ADMITTED	DEPARTMENT	HOURLY RATE	FOURTH COMPENSATION PERIOD		ENTIRE COMPENSATION PERIOD	
				TOTAL HOURS BILLED	TOTAL FEES	TOTAL HOURS BILLED	TOTAL FEES
<b>Partners</b>							
Frank J. Azzopardi	2004-NY	Mergers and Acquisitions	\$985	0.3	\$295.50	0.3	\$295.50
Sarah E. Beshar	1986-NY	Capital Markets	\$985	136.6	\$134,551.00	250.2	\$246,447.00
John H. Butler	1995-NY	Mergers and Acquisitions	\$985	-	-	38.4	\$37,824.00
Jeffrey P. Crandall	1983-NY	Executive Compensation and Employee Benefits	\$985	1.4	\$1,379.00	4.3	\$4,235.50
Alan Dean	1979-NY	Capital Markets	\$985	-	-	8.7	\$8,569.50
Kathleen L. Ferrell	1983-DC 1998-NY	Tax	\$985	37.7	\$37,134.50	67.9	\$66,881.50
Edmond T. FitzGerald	1992-NY	Executive Compensation and Employee Benefits	\$985	74.0	\$72,890.00	226.7	\$223,299.50
Timothy Graulich	1995-NY	Insolvency and Restructuring	\$975	-	-	20.9	\$20,377.50
Joseph P. Hadley	1988-NY	Credit	\$985	0.4	\$394.00	0.4	\$394.00
Marshall S. Huebner	1994-NY	Insolvency and Restructuring	\$985	571.7	\$563,124.50	1,886.5	\$1,858,202.50
Benjamin S. Kaminetzky	1996-NY	Litigation	\$985	3.2	\$3,152.00	705.9	\$695,311.50
Jinsoo H. Kim	1996-NY	Credit	\$985	420.9	\$414,586.50	420.9	\$414,586.50
Paul R. Kingsley	1984-NY	Mergers and Acquisitions	\$985	-	-	1.3	\$1,280.50
Lin KT	1997-NY	Executive Compensation and Employee Benefits	\$985	-	-	0.1	\$98.50
Jean M. McLoughlin	1995-NY 2003-MP	Executive Compensation and Employee Benefits	\$985	-	-	3.7	\$3,644.50
Elliot Moskowitz	2002-NY	Litigation	\$975	424.3	\$413,692.50	2,226.8	\$2,171,130.00
Antonio J. Perez-Marques	2003-NY	Litigation	\$850	-	-	43.4	\$36,890.00
Brian M. Resnick	2004-NY	Insolvency and Restructuring	\$850	-	-	764.4	\$649,740.00
Brian M. Resnick (2013)	2004-NY	Insolvency and Restructuring	\$975	847.2	\$826,020.00	1,638.4	\$1,597,440.00
Paula A. Ryan	1987-NY	Trusts and Estates	\$985	1.3	\$1,280.50	1.7	\$1,674.50

NAME OF PARTNER/ COUNSEL	YEAR ADMITTED	DEPARTMENT	HOURLY RATE	FOURTH COMPENSATION PERIOD		ENTIRE COMPENSATION PERIOD	
				TOTAL HOURS BILLED	TOTAL FEES	TOTAL HOURS BILLED	TOTAL FEES
Damian S. Schaible	2002-NY	Insolvency and Restructuring	\$975	-	-	362.6	\$353,535.00
Damian S. Schaible (2013)	2002-NY	Insolvency and Restructuring	\$985	0.6	\$591.00	24.0	\$23,640.00
Amelia T.R. Starr	1995-NY	Litigation	\$985	232.3	\$228,815.50	1,220.5	\$1,202,192.50
William L. Taylor	1991-NY	Mergers and Acquisitions	\$985	40.9	\$40,286.50	51.7	\$50,924.50
Mischa Travers	1998-DC 1998-NY	Corporate	\$985	143.5	\$141,347.50	440.6	\$433,991.00
Waide Warner	1980-NY	Credit	\$985	6.6	\$6,501.00	156.7	\$154,349.50
Lawrence E. Wieman	1986-NY 1987-DC	Credit	\$985	1.6	\$1,576.00	2.0	\$1,970.00
Robert F. Wise, Jr.	1973-NY	Litigation	\$985	-	-	0.3	\$295.50
Simon Witty	1987- England & Wales	Corporate	\$985	-	-	4.5	\$4,432.50
<b>Counsel</b>							
Ron M. Aizen	2006-NY	Executive Compensation and Employee Benefits	\$915	150.2	\$137,433.00	328.0	\$300,120.00
Hayden S. Baker	2003-NY	Environmental	\$915	87.8	\$80,337.00	546.6	\$500,139.00
Ann Becchina	1996-NY	Executive Compensation and Employee Benefits	\$915	0.3	\$274.50	0.3	\$274.50
Ning Chiu	1996-NY	Capital Markets	\$985	12.0	\$11,820.00	18.0	\$17,730.00
Erin K. Cho	1998-NY 2010-DC	Executive Compensation and Employee Benefits	\$985	57.2	\$56,342.00	283.6	\$279,346.00
Marcie A. Goldstein	1989-NY	Capital Markets	\$985	4.7	\$4,629.50	4.7	\$4,629.50
Betty M. Huber	1997-NY	Environmental	\$985	24.1	\$23,738.50	96.2	\$94,757.00
Lawrence E. Jacobs	1986-NY	Litigation	\$915	-	-	1.6	\$1,464.00
Susan D. Kennedy	1984-NY	Real Estate	\$985	0.4	\$394.00	0.4	\$394.00
Scott B. Luftglass	2005-NY	Litigation	\$985	0.8	\$788.00	0.8	\$788.00
Catherine L. Martin	1988-NY	Investment Management	\$915	6.2	\$5,673.00	10.5	\$9,607.50
Jonathan D. Martin	2004-NY	Litigation	\$915	20.2	\$18,483.00	1,813.2	\$1,659,078.00
James I. McClammy	1999-NY	Litigation	\$985	-	-	132.8	\$130,808.00
Jeanine P. McGuinness	1993-NY 1995-DC	Financial Institutions	\$915	2.1	\$1,921.50	2.1	\$1,921.50
James P. McIntyre	1978-NY	Real Estate	\$985	8.0	\$7,880.00	9.5	\$9,357.50

NAME OF PARTNER/ COUNSEL	YEAR ADMITTED	DEPARTMENT	HOURLY RATE	FOURTH COMPENSATION PERIOD		ENTIRE COMPENSATION PERIOD	
				TOTAL HOURS BILLED	TOTAL FEES	TOTAL HOURS BILLED	TOTAL FEES
Stephen M. Pepper	2001-NY	Litigation	\$915	0.2	\$183.00	0.2	\$183.00
John Perry	2008-NY	Credit	\$795	225.0	\$178,875.00	225.0	\$178,875.00
Michael J. Russano	2002-NY	Litigation	\$915	308.8	\$282,552.00	1,832.1	\$1,676,371.50
David B. Toscano	1993-NY 1996-DC	Litigation	\$985	-	-	124.3	\$122,435.50
Erika D. White	1982-NY	Credit	\$985	-	-	11.4	\$11,229.00
John T. Wright	1982-NY	Executive Compensation and Employee Benefits	\$985	0.7	\$689.50	60.6	\$59,691.00
<b>Total</b>				<b>3,853.2</b>	<b>\$3,699,631.00</b>	<b>16,075.7</b>	<b>\$15,322,852.50</b>

**II. Associates<sup>2</sup> (for the Fourth Compensation Period and the Entire Compensation Period)**

NAME OF ASSOCIATE	YEAR ADMITTED	DEPARTMENT	HOURLY RATE	FOURTH COMPENSATION PERIOD		ENTIRE COMPENSATION PERIOD	
				TOTAL HOURS BILLED	TOTAL FEES	TOTAL HOURS BILLED	TOTAL FEES
Jeremy Adler	2010-NY	Litigation	\$750	28.8	\$21,600.00	279.9	\$209,925.00
Jessica N. Agostinho	2011-NY	Executive Compensation and Employee Benefits	\$575	-	-	80.0	\$46,000.00
Jessica N. Agostinho (2013)	2011-NY	Executive Compensation and Employee Benefits	\$675	62.7	\$42,322.50	303.4	\$204,795.00
Sarah Ahmad	2013-MP	Corporate	\$465	6.0	\$2,790.00	6.0	\$2,790.00
Ron M. Aizen	2006-NY	Executive Compensation and Employee Benefits	\$795	-	-	205.3	\$163,213.50
Jessica Alvarez	2011-NY	Litigation	\$575	-	-	61.4	\$35,305.00
Andres Arnaldos	2009-NY	Credit	\$750	-	-	34.8	\$26,100.00
Adam Balin	2012-NY	Litigation	\$465	-	-	9.2	\$4,278.00
Adam Balin	2012-NY	Litigation	\$275/\$575	-	-	75.0	\$21,075.00
Adam Balin (2013)	2012-NY	Litigation	\$575	42.5	\$24,437.50	159.8	\$91,885.00
Patrick W. Blakemore	2013-NY	Litigation	\$325	-	-	181.1	\$58,857.50
Patrick W. Blakemore (2013)	2013-NY	Litigation	\$465	25.0	\$11,625.00	273.2	\$127,038.00
Christopher R. Bornhorst	2010-NY	Capital Markets	\$750	102.2	\$76,650.00	102.2	\$76,650.00
Jeffrey Brenner	2012-NY	Capital Markets	\$465	-	-	162.8	\$75,702.00
Jeffrey Brenner (2013)	2012-NY	Capital Markets	\$575	169.7	\$97,577.50	228.0	\$131,100.00
Maxwell P. Chapman	2013-NY	Insolvency and Restructuring	\$465	319.8	\$148,707.00	720.8	\$335,172.00
Michelle Chen	Admission Pending	Litigation	\$325	15.6	\$5,070.00	15.6	\$5,070.00
Tenley L. Chepiga	2009-NY	Credit	\$750	-	-	155.7	\$116,775.00
Tenley L. Chepiga (2013)	2009-NY	Credit	\$795	-	-	22.8	\$18,126.00
Boyoon Choi	2009-NY	Mergers and Acquisitions	\$795	28.3	\$22,498.50	38.9	\$30,925.50
Kevin J. Coco	2010-NY	Insolvency and Restructuring	\$675	-	-	76.8	\$591,840.00

<sup>2</sup> Multiple rates listed for individual timekeepers reflect the \$275 per hour cap on work performed for certain litigation work, instituted as an accommodation to the Debtors.

NAME OF ASSOCIATE	YEAR ADMITTED	DEPARTMENT	HOURLY RATE	FOURTH COMPENSATION PERIOD		ENTIRE COMPENSATION PERIOD	
				TOTAL HOURS BILLED	TOTAL FEES	TOTAL HOURS BILLED	TOTAL FEES
Kevin J. Coco (2013)	2010-NY	Insolvency and Restructuring	\$750	1,006.8	\$755,100.00	2,453.3	\$1,839,975.00
Matthew Cormack	2012-NY	Litigation	\$465	-	-	79.5	\$36,967.50
William A. Curran	2010-NY	Tax	\$750	0.3	\$225.00	0.3	\$225.00
Ankur Dalal	2012-NY	Tax	\$575	18.7	\$10,752.50	18.7	\$10,752.50
Deryn Darcy	2011-NY	Litigation	\$575	-	-	72.7	\$41,802.50
Deryn Darcy (2013)	2011-NY	Litigation	\$675	1.0	\$675.00	452.9	\$305,707.50
Nicholas J. Dashman	2010-MP	Corporate	\$575	-	-	96.8	\$55,660.00
Nicholas J. Dashman (2013)	2010-MP	Corporate	\$675	85.9	\$57,982.50	128.2	\$86,535.00
P. Alexandre de Richemont	2012-NY	Insolvency and Restructuring	\$465	-	-	153.8	\$71,517.00
P. Alexandre de Richemont (2013)	2012-NY	Insolvency and Restructuring	\$575	17.5	\$10,062.50	66.4	\$38,180.00
Andrew N. DeLaney	2009-NY	Litigation	\$750	-	-	102.8	\$77,100.00
Andrew N. DeLaney (2013)	2009-NY	Litigation	\$795	-	-	32.0	\$25,440.00
Amishi Desai	2012-NY	Litigation	\$275/\$575	-	-	354.3	\$165,562.50
Meyer C. Dworkin	2006-NY	Credit	\$795	-	-	37.3	\$29,653.50
Lauren H. Elbert	2010-NY	Litigation	\$675	-	-	127.1	\$85,792.50
Lauren H. Elbert (2013)t	2010-NY	Litigation	\$750	-	-	159.1	\$119,325.00
Aaron J. Epstein	2009-MP	Corporate	\$750	4.4	\$3,300.00	4.4	\$3,300.00
Richard Estacio	2010-NY	Litigation	\$675	-	-	873.1	\$589,342.50
Richard Estacio (2013)	2010-NY	Litigation	\$750	22.2	\$16,650.00	569.9	\$427,425.00
Aryeh E. Falk	2013-NY	Insolvency and Restructuring	\$325	-	-	176.3	\$57,297.50
Aryeh E. Falk(2013)	2013-NY	Insolvency and Restructuring	\$465	437.6	\$203,484.00	714.3	\$332,149.50
Joshua T. Foust	2009-NY	Litigation	\$750	-	-	359.3	\$269,475.00
Dharma B. Frederick	2007-NY	Litigation	\$795	-	-	97.5	\$77,512.50
Joshua Friedman	2012-NY	Litigation	\$470	-	-	5.0	\$2,350.00
Joshua Friedman	2012-NY	Litigation	\$275/\$575	-	-	80.5	\$33,687.50
Joshua Friedman (2013)	2012-NY	Litigation	\$575	1.8	\$1,035.00	112.3	\$64,572.50
Edward Fu	2012-NY	Litigation	\$275/\$575	53.8	\$15,245.00	66.5	\$18,947.50
Andrew Gehring	2010-NY	Litigation	\$675	-	-	330.2	\$222,885.00
Andrew Gehring (2013)	2010-NY	Litigation	\$750	176.1	\$132,075.00	1,409.0	\$1,056,750.00
Elyse Glazer	2010-NY	Litigation	\$675	-	-	419.2	\$282,960.00
Elyse Glazer (2013)	2010-NY	Litigation	\$750	132.3	\$99,225.00	943.5	\$707,625.00

NAME OF ASSOCIATE	YEAR ADMITTED	DEPARTMENT	HOURLY RATE	FOURTH COMPENSATION PERIOD		ENTIRE COMPENSATION PERIOD	
				TOTAL HOURS BILLED	TOTAL FEES	TOTAL HOURS BILLED	TOTAL FEES
Trevor L. Gleason	2011-NY	Capital Markets	\$675	-	-	7.7	\$5,197.50
Eitan M. Goldberg	Admission Pending	Executive Compensation and Employee Benefits	\$325	1.5	\$487.50	1.5	\$487.50
Victoria Y. Ha	2013-NY	Executive Compensation and Employee Benefits	\$465	13.4	\$6,231.00	13.4	\$6,231.00
Kristen L. Haase	2011-NY	Mergers and Acquisitions	\$575	-	-	0.8	\$460.00
Kristen L. Haase (2013)	2011-NY	Mergers and Acquisitions	\$675	0.8	\$540.00	0.8	\$540.00
Samantha Hait	2012-NY	Credit	\$465	-	-	176.7	\$82,165.50
Shirin Hakimzadeh	2011-NY	Litigation	\$675	-	-	253.0	\$170,775.00
Brad Hansen	2011-NY 2012-MP	Litigation	\$750	-	-	1.0	\$750.00
Rayiner Hashem	Admission Pending	Litigation	\$275/\$475	2.0	\$930.00	180.8	\$65,550.00
Wendi Hoeben	2005-NY	Capital Markets	\$795	-	-	145.9	\$115,990.50
Stephen J. Holler	2010-NY	Real Estate	\$675	5.3	\$3,577.50	5.3	\$3,577.50
Alexander Ibrahim	2011-NY	Litigation	\$575	-	-	112.3	\$64,572.50
Mhairi Immermann	2012-NY	Credit	\$465	-	-	53.4	\$24,831.00
Mhairi Immermann (2013)	2012-NY	Credit	\$575	337.3	\$193,947.50	380.3	\$218,672.50
Samir Kaushal	2008-NY	Litigation	\$795	-	-	89.8	\$71,391.00
Melissa C. King	2010-NY	Litigation	\$675	-	-	34.1	\$23,017.50
Darren S. Klein	2008-NY	Insolvency and Restructuring	\$795	3.5	\$2,782.50	594.9	\$472,945.50
Kevin J. Klesh	2002-NY	Environmental	\$795	85.1	\$67,654.50	123.5	\$98,182.50
Olga Kogan	2014-NY	Credit	\$325	167.9	\$54,567.50	167.9	\$54,567.50
Steven C. Krause	2008-NY	Insolvency and Restructuring	\$795	-	-	410.1	\$326,029.50
Siew Kwok	2013-NY	Capital Markets	\$465	-	-	27.2	\$12,648.00
Julia Lapitskaya	2011-NY	Executive Compensation and Employee Benefits	\$575	-	-	34.2	\$19,665.00
Matthew W. Levy	Admission Pending	Insolvency and Restructuring	\$325	11.3	\$3,672.50	11.3	\$3,672.50
Angela Libby	2012-NY	Insolvency and Restructuring	\$465	-	-	645.4	\$300,111.00
Angela Libby (2013)	2012-NY	Insolvency and Restructuring	\$575	49.4	\$28,405.00	813.9	\$467,992.50

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				TOTAL HOURS BILLED	TOTAL FEES	TOTAL HOURS BILLED	TOTAL FEES
Jeffrey Lin	2012-NY	Litigation	\$465	-	-	32.6	\$15,159.00
Daniel M. Loss	2005-NY	Litigation	\$795	-	-	732.8	\$582,576.00
Jessica Lutrin	2010-NY	Employment	\$675	-	-	24.9	\$16,807.50
Jessica Lutrin (2013)	2010-NY	Employment	\$750	56.8	\$42,600.00	56.8	\$42,600.00
Christopher Lynch	2008-NY	Litigation	\$795	-	-	302.7	\$240,646.50
Amy Ma	2013-NY	Insolvency and Restructuring	\$465	116.9	\$54,358.50	116.9	\$54,358.50
Ferrell Maguire	2013-NY	Capital Markets	\$325	-	-	24.2	\$7,865.00
Maguire F	2013-NY	Capital Markets	\$465	-	-	2.3	\$1,069.50
Rebecca L. Martin	2012-NY	Litigation	\$465	-	-	106.8	\$49,662.00
Tracy L. Matlock	2013-NY	Tax	\$465	12.1	\$5,626.50	66.2	\$30,783.00
Michelle M. McGreal	2008-NY	Insolvency and Restructuring	\$795	1,086.2	\$863,529.00	2,710.6	\$2,154,927.00
Rachel Y. Meagher	2012-NY	Trusts and Estates	\$575	2.4	\$1,380.00	4.1	\$2,357.50
Adam Mehes	2011-NY	Litigation	\$575	-	-	341.7	\$196,477.50
Adam Mehes (2013)	2011-NY	Litigation	\$675	10.2	\$6,885.00	274.9	\$185,557.50
Damon P. Meyer	2006-NY	Insolvency and Restructuring	\$795	-	-	116.5	\$92,617.50
Ryan G. Mitteness	2011-NY	Capital Markets	\$675	6.7	\$4,522.50	6.7	\$4,522.50
Gerald M. Moody, Jr.	2010-NY	Litigation	\$675	-	-	527.6	\$356,130.00
Gerald M. Moody, Jr. (2013)	2010-NY	Litigation	\$750	20.0	\$15,000.00	341.4	\$256,050.00
John Naughton	2008-NY	Real Estate	\$795	70.8	\$56,286.00	70.8	\$56,286.00
Kay Ng	2008-NY	Tax	\$795	0.5	\$397.50	0.5	\$397.50
Jeong M. Oh	2011-NY	Credit	\$675	56.3	\$38,002.50	56.3	\$38,002.50
Ona Oshen	2010-NY	Environmental	\$675	-	-	14.8	\$9,990.00
Gina Y. Pak	2011-NY	Credit	\$575	-	-	170.1	\$97,807.50
Gina Y. Pak (2013)	2011-NY	Credit	\$675	4.6	\$3,105.00	10.4	\$7,020.00
Lina Peng	2013-NY	Litigation	\$325	-	-	91.9	\$29,867.50
Lina Peng (2013)	2013-NY	Litigation	\$465	-	-	327.0	\$152,055.00
John Perry	2008-NY	Credit	\$795	309.0	\$245,655.00	335.7	\$266,881.50
Markus Pflieger	Admission Pending	Mergers and Acquisitions	\$275			22.2	\$6,105.00
Craig A. Phillips	2007-NY	Tax	\$795	2.7	\$2,146.50	7.2	\$5,724.00
Lena X. Qiu	Admission Pending	Tax	\$325	38.8	\$12,610.00	38.8	\$12,610.00
Sagar K. Ravi	2010-NY	Litigation	\$675	-	-	73.7	\$49,747.50
Sagar K. Ravi (2013)	2010-NY	Litigation	\$750	-	-	89.8	\$67,350.00

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				TOTAL HOURS BILLED	TOTAL FEES	TOTAL HOURS BILLED	TOTAL FEES
Craig M. Reiser	2011-NY	Litigation	\$575	-	-	298.4	\$171,580.00
Craig M. Reiser	2011-NY	Litigation	\$275/\$675	-	-	147.8	\$89,485.00
Craig M. Reiser(2013)	2011-NY	Litigation	\$675	82.6	\$55,755.00	684.2	\$461,835.00
Tejuana A. Roberts	2011-NY	Investment Management	\$575	-	-	12.2	\$7,015.00
Christopher Robertson	2013-NY	Insolvency and Restructuring	\$465	-	-	293.6	\$136,524.00
Christopher Robertson (2013)	2013-NY	Insolvency and Restructuring	\$575	129.4	\$74,405.00	277.4	\$159,505.00
Alexander C. Robinson	2011-NY	Litigation	\$575	-	-	6.7	\$3,852.50
David J. Robles	Admission Pending	Litigation	\$325	4.5	\$1,462.50	4.5	\$1,462.50
Bruce Rose-Innes	2011-NY	Mergers and Acquisitions	\$675	4.0	\$2,700.00	4.0	\$2,700.00
Arie Rubenstein	2007-NY	Tax	\$795	6.5	\$5,167.50	13.5	\$10,732.50
Eric L. Ruiz	2010-NY	Insolvency and Restructuring	\$675	-	-	233.5	\$157,612.50
Eric L. Ruiz (2013)	2010-NY	Insolvency and Restructuring	\$750	0.4	\$300.00	26.5	\$19,875.00
Lara Samet	2009-NY	Litigation	\$750	-	-	626.4	\$469,800.00
Lara Samet (2013)	2009-NY	Litigation	\$795	18.4	\$14,628.00	1,186.3	\$943,108.50
Kevin M. Satter	2012-NY	Mergers and Acquisitions	\$575	-	-	96.3	\$55,372.50
Rory Schneider	2012-NY	Litigation	\$575	4.9	\$2,817.50	4.9	\$2,817.50
Yitz Segal	2009-NY	Credit	\$795	94.2	\$74,889.00	94.2	\$74,889.00
Chaoyuan C. Shi	2009-NY	Executive Compensation and Employee Benefits	\$795	54.6	\$43,407.00	54.6	\$43,407.00
Adam L. Shpeen	2013-NY	Insolvency and Restructuring	\$465	140.0	\$65,100.00	143.9	\$66,913.50
Daniel M. Silberger	2012-NY	Insolvency and Restructuring	\$465	-	-	176.7	\$82,165.50
Daniel M. Silberger (2013)	2012-NY	Insolvency and Restructuring	\$575	47.3	\$27,197.50	375.4	\$215,855.00
Eugene A. Sokoloff	2013-NY	Litigation	\$325	-	-	193.9	\$63,017.50
Eugene A. Sokoloff (2013)	2013-NY	Litigation	\$465	-	-	575.4	\$267,561.00
Steve Sorkin	2010-NY	Real Estate	\$675	-	-	9.3	\$6,277.50
Robert Stewart	2013-NY	Capital Markets	\$465	88.8	\$41,292.00	382.5	\$177,862.50
Jillian R. Stillman	2010-NY	Litigation	\$675	-	-	49.7	\$33,547.50

NAME OF ASSOCIATE	YEAR ADMITTED	DEPARTMENT	HOURLY RATE	FOURTH COMPENSATION PERIOD		ENTIRE COMPENSATION PERIOD	
				TOTAL HOURS BILLED	TOTAL FEES	TOTAL HOURS BILLED	TOTAL FEES
Monica Sullivan	2009-NY	Litigation	\$750	-	-	38.1	\$28,575.00
Marc Tobak	2009-NY	Litigation	\$750	-	-	200.5	\$150,375.00
Marc Tobak (2013)	2009-NY	Litigation	\$795	245.3	\$195,013.50	680.4	\$540,918.00
Natasha Tsiouris	2011-NY	Insolvency and Restructuring	\$575	-	-	173.4	\$99,705.00
Amy E. Turner	2009-NY	Environmental	\$750	-	-	253.8	\$190,350.00
Amy E. Turner (2013)	2009-NY	Environmental	\$795	22.5	\$17,887.50	139.8	\$111,141.00
Rob van den Sigtenhorst	Admission Pending	Insolvency and Restructuring	\$325	-	-	31.4	\$10,205.00
Kevin VanLandingham	2009-NY	Litigation	\$750	-	-	28.0	\$21,000.00
Adam B. VanWagner	2013-NY	Insolvency and Restructuring	\$325	-	-	111.0	\$36,075.00
Adam B. VanWagner (2013)	2013-NY	Insolvency and Restructuring	\$465	32.6	\$15,159.00	407.5	\$189,487.50
Eli J. Vonnegut	2008-NY	Insolvency and Restructuring	\$795	8.8	\$6,996.00	95.3	\$75,763.50
Amit Vora	2011-NY	Litigation	\$275/\$675	-	-	775.8	\$496,955.00
Jake H. Wang	2012-NY	Investment Management	\$465	-	-	15.3	\$7,114.50
Paul Weitzel	2009-MP	Corporate	\$575	36.1	\$20,757.50	36.1	\$20,757.50
Kahlil Williams	2013-NY	Litigation	\$465	-	-	162.4	\$75,516.00
Daniel T. Young	2008-NY	Litigation	\$275/\$465	-	-	29.6	\$8,900.00
Bernard C. Zhu	2008-NY	Litigation	\$795	-	-	842.2	\$669,549.00
<b>Total</b>				<b>6,251.4</b>	<b>\$4,138,923.50</b>	<b>35,865.4</b>	<b>\$23,666,291.50</b>

**III. Summer Associates (for the Fourth Compensation Period and the Entire Compensation Period)**

NAME OF SUMMER ASSOCIATE	YEAR ADMITTED	DEPARTMENT	HOURLY RATE	FOURTH COMPENSATION PERIOD		ENTIRE COMPENSATION PERIOD	
				TOTAL HOURS BILLED	TOTAL FEES	TOTAL HOURS BILLED	TOTAL FEES
Alexandra Cowen			\$235	-	-	25.0	\$5,875.00
Christopher Dodge			\$235	-	-	11.9	\$2,796.50
Stephanie Goldfarb			\$235	1.4	\$329.00-	107.7	\$25,309.50
Dennis K. Heyman			\$235	-	-	8.7	\$2,044.50
Ali Isaac-Lowry			\$235	-	-	20.6	\$4,841.00
Erika A. James			\$235	-	-	24.3	\$5,710.50
Yujia Jiang			\$235	-	-	5.4	\$1,269.00
Elina Khodorkovsky			\$235	-	-	6.0	\$1,410.00
Olga Kogan			\$235	-	-	4.6	\$1,081.00
Britton Kovachevich			\$235	-	-	9.4	\$2,209.00
James Pyo			\$235	-	-	23.0	\$5,405.00
David Robles			\$235	-	-	16.5	\$3,877.50
<b>Total</b>				<b>1.4</b>	<b>\$329.00</b>	<b>263.1</b>	<b>\$61,828.50</b>

**IV. Attorney Blended Rates for the Fourth Compensation Period**

	ATTORNEY BLENDED RATE	TOTAL ATTORNEY HOURS BILLED	TOTAL ATTORNEY FEES
<b>Partners and Counsel</b>	\$960.15	3,853.2	\$3,699,631.00
<b>Associates</b>	\$662.08	6,251.4	\$4,138,923.50
<b>Summer Associates</b>	\$235.00	1.4	\$329.00
<b>Total</b>	<b>\$775.67</b>	<b>10,104.6</b>	<b>\$7,838,883.50</b>

**V. Attorney Blended Rates for the Entire Compensation Period**

	ATTORNEY BLENDED RATE	TOTAL ATTORNEY HOURS BILLED	TOTAL ATTORNEY FEES
<b>Partners and Counsel</b>	\$953.17	16,075.7	\$15,322,852.50
<b>Associates</b>	\$659.86	35,865.4	\$23,666,291.50
<b>Summer Associates</b>	\$235.00	263.1	\$61,828.50
<b>Total</b>	<b>\$748.04</b>	<b>52,204.2</b>	<b>\$39,050,972.50</b>

**V. Paraprofessionals (for the Fourth Compensation Period and the Entire Compensation Period)**

NAME OF PARAPROFESSIONAL	DEPARTMENT	HOURLY RATE	FOURTH COMPENSATION PERIOD		ENTIRE COMPENSATION PERIOD	
			TOTAL HOUR BILLED	TOTAL FEES	TOTAL HOURS BILLED	TOTAL FEES
Cassandra Aguirre	Legal Assistant Corporate	\$325	0.5	\$162.50	0.5	\$162.50
Julia Bedell	Legal Assistant Corporate	\$325	-	-	6.1	\$1,982.50
Richard Bonaparte	Compliance Reporting Specialist	\$365	0.9	\$328.50	0.9	\$328.50
Paulina Brown	Legal Assistant Litigation	\$205	-	-	5.0	\$1,025.00
Paulina Brown (2013)	Legal Assistant Litigation	\$325	2.0	\$650.00	2.0	\$650.00
Theresa Bruney	Legal Assistant Corporate	\$385	-	-	11.1	\$4,273.50
John Cavaiuolo	Information Systems	\$160	-	-	27.5	\$4,400.00
Barbara Chan	Compliance Reporting Specialist	\$185	0.6	\$111.00	5.8	\$1,073.00
Stephen Chao	Legal Assistant Corporate	\$205	-	-	2.2	\$451.00
Stephen Chao (2013)	Legal Assistant Corporate	\$325	-	-	31.1	\$10,107.50
Johnny Chen	Litigation Support	\$285			2.0	\$570.00
Helene Charles	Document Clerk	\$105	2.3	\$241.50	2.3	\$241.50
Romella Cheong	Litigation Support	\$285	11.5	\$3,277.50	25.8	\$7,353.00
Andrew Coleman	Litigation Support	\$235			3.5	\$822.50
Linda Cool	Document Clerk	\$105	3.7	\$388.50	3.7	\$388.50
John Denkowski	Research Services	\$365	1.7	\$620.50	1.7	\$620.50
Jean Doherty	Document Clerk	\$105	1.5	\$157.50	1.5	\$157.50
Caroline Downer	Legal Assistant Corporate	\$325	-	-	6.3	\$2,047.50
Jamila Dphrepaulezz	Document Clerk	\$105	21.3	\$2,236.50	26.3	\$2,761.50
Kristyn Dunleavy	Legal Assistant Corporate	\$325	-	-	8.0	\$2,600.00
Eileen Echevarria	Document Analyst - Litigation	\$275/\$325			95.3	\$26,247.50
Leah Edwards	Legal Assistant Corporate	\$385	-	-	8.4	\$3,234.00
Jen Eum	Legal Assistant Litigation	\$325	7.5	\$2,437.50	98.9	\$162,142.50
Audrey Evans	Research Services	\$290	-	-	1.8	\$522.00
Betsy Feldman	Legal Assistant Corporate	\$205	-	-	2.5	\$512.50
Raymond Gong	Litigation Technical Services	\$185	-	-	45.7	\$8,454.50

NAME OF PARAPROFESSIONAL	DEPARTMENT	HOURLY RATE	FOURTH COMPENSATION PERIOD		ENTIRE COMPENSATION PERIOD	
			TOTAL HOUR BILLED	TOTAL FEES	TOTAL HOURS BILLED	TOTAL FEES
Maytal Gongolevsky	Litigation Technical Services	\$440	3.0	\$1,320.00	3.0	\$1,320.00
Eryn Gordon	Legal Assistant Corporate	\$325	-	-	10.8	\$3,510.00
Edgar Halford	Research Services	\$290	-	-	30.1	\$8,729.00
Edgar Halford (2013)	Research Services	\$320	8.8	\$2,816.00	29.7	\$9,504.00
Matthew Harrington	Litigation Support	\$295	-	-	182.0	\$53,690.00
Carla Hinton	Litigation Support	\$350	1.8	\$630.00	4.6	\$1,610.00
Mohamed Ismail	Document Clerk	\$105	-	-	39.0	\$4,095.00
Sonya Jackman	Legal Assistant Corporate	\$385	254.7	\$98,059.50	254.7	\$98,059.50
Robert Jones	Managing Attorney's Office	\$310	17.1	\$5,301.00	45.0	\$13,950.00
Karen Julien	Litigation Support	\$285	-	-	0.5	\$142.50
Kimberly Junas	Document Clerk	\$105	5.5	\$577.50	5.5	\$577.50
Carol Kelly	Fiduciary Accountant	\$300	-	-	0.3	\$90.00
James Kim	Legal Assistant Corporate	\$325	-	-	34.6	\$11,245.00
Eileen Kim	Document Analyst - Litigation	\$275/\$325			42.9	\$11,837.50
Candace Knight	Document Clerk	\$105	4.9	\$514.50	12.2	\$1,281.00
Evan Lane	Managing Attorney's Office	\$150	-	-	2.0	\$300.00
Rachel Lange	Legal Assistant Corporate	\$205	-	-	2.5	\$512.50
Rachel Lange (2013)	Legal Assistant Corporate	\$325	-	-	0.6	\$195.00
Elliot Law	Legal Assistant Corporate	\$385	20.3	\$7,815.50	245.5	\$94,517.50
Elliot Law	Legal Assistant Corporate	\$400	-	-	294.5	\$117,800.00
Sorina Lazar	Legal Assistant Corporate	\$385	6.0	\$2,310.00	6.0	\$2,310.00
Charles Lilly	Legal Assistant Corporate	\$325	-	-	15.1	\$4,907.50
Andrew Lim	Document Clerk	\$105			4.5	\$472.50
Diego Lopez	Legal Assistant Corporate	\$325	-	-	16.4	\$5,330.00
Scott Manrose	Legal Assistant Corporate	\$385	-	-	2.0	\$770.00
Lauren McGlynn	Legal Assistant Corporate	\$325	-	-	2.9	\$942.50
Marguerite Melvin	Legal Assistant Corporate	\$400	-	-	317.3	\$126,920.00
Gomatie Narayan	Document Clerk	\$105	10.3	\$1,081.50	26.0	\$2,730.00
Daniel Natkie	Legal Assistant Corporate	\$325	3.5	\$1,137.50	3.5	\$1,137.50

NAME OF PARAPROFESSIONAL	DEPARTMENT	HOURLY RATE	FOURTH COMPENSATION PERIOD		ENTIRE COMPENSATION PERIOD	
			TOTAL HOUR BILLED	TOTAL FEES	TOTAL HOURS BILLED	TOTAL FEES
Christopher O'Connell	Document Analyst - Litigation	\$275			113.0	\$31,075.00
D. Robert O'Flaherty	Litigation Technical Services	\$285	-	-	3.0	\$855.00
Marlon Oliva	Research Services	\$290	-	-	10.5	\$3,045.00
Marlon Oliva	Research Services	\$320	2.0	\$640.00	26.5	\$8,480.00
Kathleen Pagan	Document Clerk	\$105	0.6	\$63.00	0.6	\$63.00
Mariee Pilkington	Legal Assistant Corporate	\$385	0.7	\$269.50	0.7	\$269.50
Michael Pucci	Legal Assistant Litigation	\$325	10.1	\$3,282.50	241.7	\$78,552.50
Rana Ramjas	Legal Assistant Corporate	\$385	28.2	\$10,857.00	28.2	\$10,857.00
Rana Ramjas	Legal Assistant Corporate	\$400	-	-	12.5	\$5,000.00
Kathleen Ray	Legal Assistant Corporate	\$385	5.3	\$2,040.50	5.3	\$2,040.50
Karla Rivera Fortis	Legal Assistant Corporate	\$205	15.9	\$3,259.50	15.9	\$3,259.50
Anthony Sanfilippo	Document Analyst - Litigation	\$275/\$325			194.1	\$53,417.50
Joanne Scala	Research Services	\$330	0.3	\$99.00	0.3	\$99.00
Edward Seiden	Document Analyst - Litigation	\$275/\$375			141.8	\$39,035.00
Maria Sicuranza	Document Analyst - Litigation	\$275/325			202.5	\$55,727.50
Philip Song	Legal Assistant Corporate	\$205	-	-	9.5	\$1,947.50
Tynslei Spence	Managing Attorney's Office	\$195	-	-	2.9	\$565.50
Katherine Stewart	Legal Assistant Corporate	\$205	-	-	9.1	\$1,865.50
Avery Strickoff	Document Analyst - Litigation	\$275/\$325			65.1	\$18,037.50
Mary Sue	Compliance Reporting Specialist	\$295	4.1	\$1,209.50	4.1	\$1,209.50
Bernadette Sullivan	Legal Assistant Corporate	\$400	-	-	8.3	\$3,320.00
Megan Teixeira	Legal Assistant Corporate	\$325	-	-	43.0	\$13,975.00
Katherine Thorstad	Document Clerk	\$105	-	-	3.1	\$325.50
Dunung Tjokronolo	Compliance Reporting Specialist	\$185	8.0	\$1,480.00	8.0	\$1,480.00
Lily Tong	Compliance Reporting Specialist	\$185	1.9	\$351.50	1.9	\$351.50

NAME OF PARAPROFESSIONAL	DEPARTMENT	HOURLY RATE	FOURTH COMPENSATION PERIOD		ENTIRE COMPENSATION PERIOD	
			TOTAL HOUR BILLED	TOTAL FEES	TOTAL HOURS BILLED	TOTAL FEES
Robert Tuchman	Compliance Reporting Specialist	\$185	5.4	\$999.00	5.4	\$999.00
Tumminello CJ	Legal Assistant Corporate	\$325	-	-	16.8	\$5,460.00
Carlson Vincent	Compliance Reporting Specialist	\$185	5.5	\$1,017.50	6.2	\$1,147.00
Theresa Volano	Legal Assistant Corporate	\$400	-	-	105.0	\$42,000.00
Jeanne Weber	Document Clerk	\$105	4.4	\$462.00	4.4	\$462.00
Karen Werther	Document Clerk	\$105	2.6	\$273.00	2.6	\$273.00
Anne Willner	Document Clerk	\$105	3.3	\$346.50	3.3	\$346.50
T. Wright	Legal Assistant Corporate	\$385	-	-	11.0	\$4,235.00
Christopher Wytenus	Managing Attorney's Office	\$130	-	-	5.2	\$676.00
Mark Zaleck	Research Services	\$195	1.7	\$331.50	10.0	\$1,950.00
Rebecca Zarett	Legal Assistant Corporate	\$385	125.8	\$48,433.00	176.4	\$67,914.00
Qunchang Zeng	Compliance Reporting Specialist	\$185	7.5	\$1,387.50	7.5	\$1,387.50
<b>Total</b>			<b>622.7</b>	<b>\$208,976.50</b>	<b>3,965.0</b>	<b>\$1,283,318.50</b>

UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF MISSOURI  
EASTERN DIVISION

**In re:**

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

**Debtors.**

**Chapter 11  
Case No. 12-51502-659  
(Jointly Administered)**

**Objection Deadline:  
February 17, 2014 at 4:00 p.m.  
(prevailing Central Time)**

**Hearing Date (if necessary):  
March 25, 2014 at 10:00 a.m.  
(prevailing Central Time)**

**Hearing Location:  
Courtroom 7 North**

**FOURTH AND FINAL APPLICATION OF DAVIS POLK & WARDWELL LLP  
FOR ALLOWANCE OF COMPENSATION AND  
REIMBURSEMENT OF EXPENSES**

Davis Polk & Wardwell LLP (“**Davis Polk**”), counsel to Patriot Coal Corporation and its subsidiaries that are reorganized debtors in these proceedings (collectively, the “**Reorganized Debtors**” and formerly, the “**Debtors**”), for its fourth and final application (the “**Application**”), pursuant to sections 330(a) and 331 of title 11 of the United States Code (the “**Bankruptcy Code**”) and rule 2016 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”), for (i) allowance of compensation for professional services performed, and for reimbursement of actual and necessary expenses incurred, by Davis Polk during the period commencing August 1, 2013 through and including December 31, 2013 (the “**Fourth Compensation Period**”) and (ii) final

allowance of compensation for professional services performed, and reimbursement of actual and necessary expenses incurred, by Davis Polk during the period commencing July 9, 2012 through and including December 31, 2013 (the “**Entire Compensation Period**”), respectfully represents:

**PRELIMINARY STATEMENT**

1. The Debtors’ chapter 11 cases were exceedingly complex. The Debtors commenced these cases with almost \$4 billion of both assets and liabilities. The Debtors sent their notice of commencement to more than 41,500 entities, and they are party to thousands of contracts. As of the Petition Date (as defined below), the Debtors employed more than 4,000 people and operated twelve active mining complexes. The complexity of these cases is underscored by the number of entries on the Reorganized Debtors’ bankruptcy court docket, which totaled more than 5,300 as of January 31, 2014. Moreover, rather than simply functioning as a balance sheet restructuring like many other bankruptcies, the Debtors’ reorganization involved a fundamental transformation of their businesses.

2. As lead bankruptcy counsel, it was necessary for Davis Polk to expend considerable amounts of time, energy and resources in efforts to help the Debtors continue operating their businesses, address the various and complex issues that arose in these chapter 11 cases, negotiate and draft the disclosure statement (the “**Disclosure Statement**”) and the plan of reorganization (the “**Plan of Reorganization**”), and achieve confirmation and consummation of the Plan of Reorganization.

3. Throughout the Fourth Compensation Period and during the entirety of the chapter 11 cases, Davis Polk provided assistance and counsel to the

Debtors in connection with the Debtors' efforts on multiple fronts to stabilize their businesses, address their unsustainable cost structure, preserve jobs and benefits for thousands of families and ultimately successfully emerge from chapter 11. During the entirety of these cases, the Debtors and Davis Polk dedicated significant time and resources to, among other things, (a) obtaining approval of an \$802 million debtor-in-possession credit facility on appropriate terms, permitting the financing of the Debtors' operations during these chapter 11 cases; (b) obtaining authority from this Court to modify their collective bargaining agreements and retiree obligations pursuant to sections 1113 and 1114 of the Bankruptcy Code; (c) negotiating with the United Mine Workers of America (the "UMWA") in order to reach a consensual resolution of the modification of the Debtors' represented labor and retiree obligations; (d) achieving a settlement with the non-union retiree committee regarding the modification and termination of certain non-union retiree benefits, and obtaining a court order authorizing the termination of the Debtors' supplemental 401(k) program; (e) commencing and prosecuting multiple adversary proceedings related to coal sale contracts, and negotiating and entering into settlements to resolve certain such proceedings, resulting in cost savings to the Debtors of tens of millions of dollars; (f) negotiating and entering into coal supply agreement stipulations; (g) rejecting hundreds of executory contracts that were determined to not be beneficial to the Debtors' estates; (h) completing the Debtors' real property leases assumption/rejection process, including obtaining court authority to assume hundreds of leases and reject several leases, negotiating with certain landlords to consensually extend the assumption/rejection decision deadline and/or consensually resolving objections to the assumption or rejection of certain leases and successfully

prosecuting an adversary proceeding and a contested matter relating to certain real property leases; (i) responding to various automatic stay issues (including with respect to significant environmental obligations); (j) addressing a multitude of creditor, supplier and customer inquiries; (k) successfully defeating a motion to appoint an official committee of equityholders and a motion to appoint a chapter 11 trustee; (l) finalizing and filing the Debtors' schedules of assets and liabilities, income and expenditures and executory contracts and unexpired leases, and their statements of financial affairs; (m) establishing a bar date for the filing of claims and working to reconcile the more than 4,200 proofs of claim filed in these cases; (n) establishing procedures for settlements of, and objections to, proofs of claim; (o) objecting to thousands of claims; (p) negotiating claim settlement agreements with certain claimants (including with respect to significant environmental obligations), and entering into claim settlement agreements resolving over 1,000 disputed claims; (q) researching, analyzing and investigating potential claims against certain counterparties; and (r) evaluating the Debtors' compensation programs and developing, and obtaining Court approval of, an annual incentive program and critical employee retention program.

4. On September 6, 2013, the Debtors filed the Joint Chapter 11 Plan of Reorganization (the "**Initial Plan**"). Following the filing of the Initial Plan, the Debtors and Davis Polk continued to engage in discussions with potential investors regarding a potential transaction that would provide hundreds of millions of dollars of emergence financing for the Debtors' estates. The Debtors and Davis Polk also continued their negotiations with the UMWA, Arch Coal, Inc. ("**Arch**") and Peabody Energy Corporation ("**Peabody**") in an attempt to reach global settlements with these

parties and resolve the risks and uncertainties created by the parties' ongoing litigation, provide necessary liquidity to the Debtors and provide funding to a Voluntary Employee Beneficiary Association trust established for certain of the Debtors' retirees. At the same time, the Debtors and Davis Polk continued to engage in appellate litigation with the UMWA and Peabody.

5. The results of these extensive efforts were (i) a commitment by certain funds and accounts managed and/or advised by Knighthead Capital Management, LLC to backstop two rights offerings for new securities in connection with the Debtors' emergence from bankruptcy (the "**Rights Offerings**"), (ii) a global settlement (the "**Peabody Settlement**") among the Debtors, Peabody, the UMWA and the UMWA Employees and the UMWA Retirees (each as defined in the Peabody Settlement),<sup>1</sup> and (iii) a global settlement between the Debtors and Arch (the "**Arch Settlement**").<sup>2</sup> The Debtors and Davis Polk consummated the Rights Offerings pursuant to the Plan of Reorganization and in connection with the Debtors' emergence from chapter 11. Among other benefits, the Rights Offerings provided the Debtors with \$250 million of capital, and the Peabody Settlement and Arch Settlement together provided the Debtors with over \$150 million in incremental liquidity and value. The foregoing transactions were the cornerstones of the Plan of Reorganization that was confirmed by this Court on December 18, 2013.

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<sup>1</sup> The Peabody Settlement was approved by order of this Court on November 7, 2013 [ECF No. 4963].

<sup>2</sup> The Arch Settlement was approved by order of this Court on November 7, 2013 [ECF No. 4962].

6. After filing the Initial Plan, the Debtors and Davis Polk also continued to engage in active discussions with multiple parties on the potential terms of senior exit financing. After reviewing several proposals and negotiating with the parties, the Debtors selected (i) Barclays Bank PLC, Deutsche Bank AG New York Branch and Deutsche Bank Securities Inc. to structure, arrange and syndicate (a) an exit senior secured term loan facility in an aggregate principal amount of \$250,000,000 and (b) an exit senior secured asset-based revolving credit facility in an aggregate principal amount of \$125,000,000; and (ii) Barclays Bank PLC to structure and arrange a letter of credit facility in an aggregate amount not to exceed \$201,000,000. The senior exit financing transactions closed on December 18, 2013 and were instrumental in allowing the Reorganized Debtors to successfully emerge from chapter 11 pursuant to the Plan of Reorganization on that same date, less than 18 months after the Petition Date.

7. Through all of this, Davis Polk worked as efficiently as possible to minimize cost to the Debtors' estates.

8. A core group of 14 Davis Polk attorneys accounted for more than 50% of the attorney time expended on these cases. Moreover, four partners and two counsel accounted for more than 70% of the partner and counsel hours worked. In addition to the efficient core teams, due to the large number of varied issues in these cases, attorneys from different practice areas were called on to assist with discrete issues within their areas of expertise. Many, of course, billed only a limited number of hours.

### **BACKGROUND**

9. 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 the Bankruptcy Code. On December 19, 2012, the SDNY Bankruptcy Court entered an order transferring these chapter 11 cases to this Court (the “**Transfer Order**”) [ECF No. 1789].<sup>3</sup> The Debtors were authorized to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. These chapter 11 cases are being jointly administered pursuant to Rule 1015(b) of the Bankruptcy Rules and the SDNY Bankruptcy Court’s Joint Administration Order entered on July 10, 2012 [ECF No. 30].

10. Pursuant to the Order Authorizing the Employment and Retention of Davis Polk & Wardwell LLP as Attorneys for the Debtors *nunc pro tunc* to the Petition Date entered by the SDNY Bankruptcy Court on August 2, 2012 [ECF No. 265] (the “**Retention Order**”), the Debtors were authorized to retain Davis Polk as their attorneys to render legal services in the prosecution of their chapter 11 cases *nunc pro tunc* to the Petition Date.

11. On July 18, 2012, the Office of the United States Trustee for the Southern District of New York (the “**U.S. Trustee**”) appointed the statutory committee of unsecured creditors in these cases (the “**Creditors’ Committee**”) pursuant to sections 1102(a) and 1102(b) of the Bankruptcy Code. No trustee or examiner has been appointed in the Debtors’ chapter 11 cases.

12. This Court has subject matter jurisdiction to consider and determine this matter pursuant to 28 U.S.C. § 1334. This is a core proceeding pursuant to

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<sup>3</sup> 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.

28 U.S.C. § 157(b)(2). Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

13. The Debtors filed monthly operating reports for each month since the Petition Date. The Reorganized Debtors have advised Davis Polk that, to date, they have paid all quarterly fees due to the U.S. Trustee.

14. On November 15, 2012, the Court entered an Order extending the Debtors' exclusive periods within which to file a plan of reorganization and solicit votes thereon to May 5, 2013 and July 4, 2013, respectively [ECF No. 1575]. On April 26, 2013, the Court entered an Order further extending the Debtors' exclusive periods within which to file a plan of reorganization and solicit votes thereon to September 2, 2013 and November 1, 2013, respectively [ECF No. 3848]. On August 21, 2013, the Court entered an Order further extending the Debtors' exclusive periods within which to file a plan of reorganization and solicit votes thereon to December 1, 2013 and January 30, 2014, respectively [ECF No. 4497].

15. On November 7, 2013, the Court entered an Order approving the Disclosure Statement and solicitation materials [ECF No. 4968].

16. On December 18, 2013, the Court entered an Amended Order confirming the Plan of Reorganization [ECF No. 5169] (the "**Amended Confirmation Order**"), and on December 18, 2013, the Plan of Reorganization became effective.

17. On November 16, 2012, Davis Polk filed its first interim application for the allowance of compensation and reimbursement of expenses incurred for the period from July 9, 2012 through and including September 30, 2012, in which it requested total fees in the amount of \$8,145,882.50 and expenses in the amount of

\$272,375.68. The SDNY Bankruptcy Court entered an order on December 19, 2012 allowing fees in the amount of \$7,974,882.50 and expenses in the amount of \$272,375.68 and authorizing the immediate payment of 100% of such allowed fees and expenses [ECF No. 1788].

18. On April 15, 2013, Davis Polk filed its second interim application for the allowance of compensation and reimbursement of expenses incurred for the period from October 1, 2012 through and including January 31, 2013, in which it requested total fees in the amount of \$8,935,027.00 and expenses in the amount of \$220,793.09. The Court entered an order on July 11, 2013 allowing fees in the amount of \$8,795,027.00 and expenses in the amount of \$216,383.15 and authorizing the immediate payment of 100% of such allowed fees and expenses [ECF No. 4289].

19. On September 5, 2013, Davis Polk filed its third interim application for the allowance of compensation and reimbursement of expenses incurred for the period from February 1, 2013 through and including July 31, 2013, in which it requested total fees in the amount of \$14,923,542.25 and expenses in the amount of \$345,862.02. The Court entered an order on November 8, 2013 allowing fees in the amount of \$14,923,542.25 and expenses in the amount of \$327,521.64 and authorizing the immediate payment of 100% of such allowed fees and expenses [ECF No. 4976].

**SUMMARY OF REQUESTED PROFESSIONAL COMPENSATION  
AND REIMBURSEMENT OF EXPENSES**

20. This Application has been prepared in accordance with (a) the Local Rules of the Bankruptcy Court for the Eastern District of Missouri (the “**Local Rules**”), (b) the United States Trustee Guidelines for Reviewing Applications for

Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. § 330 adopted on January 30, 1996 (the “**UST Guidelines**”) and (c) the Order to Establish Procedures for Interim Monthly Compensation and Reimbursement of Expenses of Professionals entered by the Court on August 2, 2012 [ECF No. 262] (the “**Interim Compensation Order**”) and, collectively with the Local Rules and the UST Guidelines, the “**Guidelines**”).

21. In accordance with the Interim Compensation Order, for the Fourth Compensation Period, Davis Polk filed a monthly fee statement covering the period from August 1, 2013 through August 31, 2013 on September 24, 2013 [ECF No. 4704], a monthly fee statement covering the period from September 1, 2013 through September 30, 2013 on November 1, 2013 [ECF No. 4909], a monthly fee statement covering the period from October 1, 2013 through October 31, 2013 on November 27, 2013 [ECF No. 5070], a monthly fee statement covering the period from November 1, 2013 through November 30, 2013 on December 27, 2013 [ECF No. 5191], and a monthly fee statement covering the period from December 1, 2013 through December 31, 2013 on January 21, 2014 [ECF No. 5238].

22. By this Application, Davis Polk seeks allowance in full of interim compensation for professional services rendered to the Debtors during the Fourth Compensation Period, in the aggregate amount of \$7,970,222.25, and for reimbursement of actual, necessary expenses incurred in connection with such services in the aggregate amount of \$90,466.73. During the Fourth Compensation Period, Davis Polk attorneys and paraprofessionals expended a total of 10,728.7 hours for which compensation is sought.

23. In accordance with the Interim Compensation Order, Davis Polk will have received payments to date totaling \$6,468,600.29 (\$6,376,177.80 of which is for services rendered and \$92,422.49<sup>4</sup> of which is for reimbursement of expenses) for the Fourth Compensation Period. By this Application, Davis Polk seeks payment of the remaining \$1,592,088.69, which amount represents the Court-ordered 20% holdback of Davis Polk's requested fees during the Fourth Compensation Period.<sup>5</sup> These amounts reflect the more than \$33,000.00 that Davis Polk has already "written off" during the Fourth Compensation Period and the approximately \$15,000.00 in fee concessions agreed to by Davis Polk with respect to the first review of certain litigation documents.

24. During the Fourth Compensation Period, other than pursuant to the Interim Compensation Order, Davis Polk has received no payment and no promises of payment from any source for services rendered or to be rendered in any capacity whatsoever in connection with the matters covered by this Application. There is no agreement or understanding between Davis Polk and any other person, other than partners of the firm, for the sharing of compensation to be received for services rendered in these cases.

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<sup>4</sup> After the August 2013 fee statement was filed, Davis Polk's expenses were reduced by \$14.61 pursuant to certain corrections. After the September 2013 fee statement was filed, Davis Polk's expenses were reduced by \$396.21 pursuant to certain corrections. After the October 2013 fee statement was filed, Davis Polk's expenses were reduced by \$178.59 pursuant to certain corrections. After the November 2013 fee statement was filed, Davis Polk's expenses were reduced by \$1,036.77 pursuant to certain corrections. After the December 2013 fee statement was filed, Davis Polk's expenses were reduced by \$329.58 pursuant to certain corrections.

<sup>5</sup> For the reasons detailed in Note 4 above, Davis Polk has reduced the requested holdback amount by \$1,955.76 pursuant to certain corrections.

25. The fees charged by Davis Polk in these cases are billed in accordance with its agreed-upon billing rates and procedures in effect during the Fourth Compensation Period. The rates charged by Davis Polk for the services rendered in these chapter 11 cases do not exceed the rates Davis Polk customarily charges for services rendered in comparable matters. Such fees are reasonable based on the customary compensation charged by comparably skilled practitioners in comparable assignments in a competitive national legal market.

26. Prior to the filing of this Application, Davis Polk filed with the Court and served on the Debtors, the U.S. Trustee, counsel to the Creditors' Committee and counsel to the Debtors' postpetition lenders monthly fee statements setting forth Davis Polk's fees for professional services rendered and expenses incurred from August 1, 2013 through December 31, 2013. No objections were received to any of these monthly fee statements. In connection with preparing each of the five monthly statements and this Application, Davis Polk has voluntarily adjusted its fees and expenses in favor of the estates. Specifically, Davis Polk voluntarily reduced its fees and expenses for the Fourth Compensation Period by \$33,588.03.

27. In addition, by this Application, Davis Polk seeks final allowance in full of compensation for professional services rendered to the Debtors during the Entire Compensation Period in the aggregate amount of \$39,663,674.00 and for reimbursement of actual, necessary expenses incurred in connection with the rendering of such services in the aggregate amount of \$906,747.20. During the Entire Compensation Period, Davis Polk attorneys and paraprofessionals expended a total of 56,169.2 hours for which compensation is sought.

28. Davis Polk has voluntarily adjusted its fees and expenses in favor of the Debtors' estates. Specifically, Davis Polk has voluntarily reduced its fees and expenses by \$698,539.59 over the Entire Compensation Period, which voluntary reductions are in addition to reductions over the Entire Compensation Period of (i) \$368,285.35 on account of the Local Rules and UST Guidelines and (ii) \$333,750.32 per discussions with the U.S. Trustee after the filing of its interim fee applications, amounting to a total reduction of \$1,400,575.25 over the course of the Entire Compensation Period.

29. Pursuant to the UST Guidelines and the Local Rules, annexed to the U.S. Trustee summary section preceding this Application is a schedule setting forth all Davis Polk professionals and paraprofessionals who have performed services in these chapter 11 cases during the Fourth Compensation Period and the Entire Compensation Period, the capacities in which each such individual is employed by Davis Polk, the department in which each individual practices, the hourly billing rate charged by Davis Polk for services performed by such individual, the year in which each professional was first licensed to practice law and the year in which each professional was licensed to practice in New York, if different and applicable, and the aggregate number of hours expended in this matter and fees billed therefor.

30. Annexed hereto as Exhibit A is a schedule specifying the categories of actual, necessary expenses for which Davis Polk is seeking reimbursement and the total amount for each such expense category.

31. Pursuant to the UST Guidelines and the Local Rules, annexed hereto as Exhibit B is a summary of the number of hours and amounts billed by Davis

Polk during the Fourth Compensation Period and the Entire Compensation Period, organized by project categories.

32. Davis Polk maintains computerized records of the time spent by all Davis Polk attorneys, summer associates and paraprofessionals in connection with the Debtors' chapter 11 cases.<sup>6</sup>

33. As of the date hereof, Davis Polk does not hold a retainer on account of the Reorganized Debtors.

**SUMMARY OF SERVICES RENDERED DURING  
THE FOURTH COMPENSATION PERIOD**

34. Throughout the Fourth Compensation Period, Davis Polk was required to render substantial professional services, in some cases under extraordinary time constraints, to assist the Debtors in dealing with numerous matters that needed to be resolved before the Debtors could formulate and negotiate the Plan of Reorganization. In addition, Davis Polk dedicated considerable efforts to formulating and negotiating the Plan of Reorganization and Disclosure Statement on a consensual basis and assisting the Debtors with consummating the Plan of Reorganization. Recitation of each and every item of professional services performed by Davis Polk during the Fourth Compensation Period would be extremely burdensome. Hence, the following summary highlights the major areas to which Davis Polk devoted time and attention during the Fourth Compensation Period. This summary is organized in accordance with Davis Polk's

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<sup>6</sup> Detailed time records were filed with Davis Polk's monthly fee statements. Detailed expense records are not being publicly filed but are being provided to the Debtors, the Court, and the U.S. Trustee. Parties in interest required to be served with monthly fee statements pursuant to the Interim Compensation Order have previously received such records. Copies of these records will be made available to other parties in interest upon reasonable request.

internal system of project categories. Exhibit B provides a detailed breakdown of the time devoted and fees allocable to each project category.

(a) Asset Dispositions (Project Category 1)

The total number of hours billed for this project was 67.2. The total fees related to this project were \$54,670.00.

Under this project category, Davis Polk worked on matters including:

- Advising the Debtors and coordinating with the Debtors' financial professionals and the Creditors' Committee with respect to various actual and potential asset dispositions and numerous inquiries regarding the same.

(b) Automatic Stay (Project Category 2)

The total number of hours billed for this project was 97.2. The total fees related to this project were \$77,954.50.

Davis Polk provided services in connection with enforcing the automatic stay against creditors seeking to contravene the mandate of the Bankruptcy Code. In this regard, Davis Polk performed services including:

- Defending against and developing strategies with respect to parties filing motions seeking to lift the automatic stay.
- Coordinating and communicating with the Debtors and various parties regarding potential violations of the automatic stay.
- Negotiating and drafting stipulations regarding requests for relief from the automatic stay.
- Preparing for and participating in all bankruptcy court hearings in connection with the above-referenced matters.

(c) Claims Investigations (Project Category 3)

The total number of hours billed for this project was 677.8. The total fees related to this project were \$534,191.50.

Davis Polk assisted the Debtors in connection with an investigation to determine, *inter alia*, whether the spinoff from Peabody that created Patriot constituted an actual or constructive fraudulent transfer. Such a claim against Peabody, if cognizable and if successfully asserted, could have result in sizeable recoveries for the Debtors and their creditors. These claims were settled pursuant to the Peabody Settlement. Davis

Polk also assisted the Debtors in connection with their investigation into potential claims against Arch and ArcLight Capital Partners, LLC, which claims against Arch were settled pursuant to the Arch Settlement. In connection with the investigations, Davis Polk worked on matters including:

- Coordinating with the Creditors' Committee to negotiate with Peabody regarding the scope of its document production under Rule 2004, including locations in which to search for documents and search terms to be applied to electronic documents.
- Opposing Peabody's third-party subpoena in connection with *Lowe v. Peabody Holding Co.*, No. 2:12-CV-06925 (S.D. W. Va.), including filing a motion to enjoin such discovery under Section 105 of the Bankruptcy Code.
- Monitoring the status of *Lowe v. Peabody Holding Co.*, No. 2:12-CV-06925 (S.D. W. Va.).
- Monitoring the status of precedent spinoff cases.

(d) Creditor / Equity Holder / UCC Issues (Project Category 4)

The total number of hours billed for this project was 312.6. The total fees related to this project were \$218,678.00.

Davis Polk assisted the Debtors with various claims-related issues. In addition, this project category includes communications with the Creditors' Committee or creditors and creditor issues that do not fall into a more specific category. In these regards, Davis Polk worked on matters including:

- Responding to numerous telephone calls and letters from creditors, equity holders and other parties in interest concerning the Debtors' chapter 11 cases, the filing of claims against the Debtors and the rights of creditors under the Bankruptcy Code and conducting associated legal research.
- Analyzing and advising the Debtors with respect to proofs of claim, claim settlements, claim objections and other claim issues.
- Responding to and negotiating with various mechanic's lien claimants, utilities claimants, tax claimants and others.
- Research for and coordination with the Debtors regarding 503(b)(9) claims and negotiation with creditors concerning related issues.
- Coordinating with the Creditors' Committee regarding various pleadings and administration of the Debtors' estates generally, and responding to comments and concerns of the Creditors' Committee.

- Negotiating with creditors regarding a motion to allow or amend certain proofs of claims.
- Conducting extensive negotiations with creditors regarding filed proofs of claim, including negotiating and entering into claim settlements and filing and defending claim objections where appropriate, as well as preparing documentation in connection therewith.
- Responding to numerous creditor inquiries regarding claim allowance and distributions.
- Coordinating distributions with respect to certain claims.

(e) Davis Polk Retention and Fee Issues (Project Category 5)

The total number of hours billed for this project was 45.9. The total fees related to this project were \$23,003.00.

Davis Polk assisted the Debtors with issues surrounding the Debtors' retention of Davis Polk in connection with these cases. Davis Polk also worked to ensure its compliance with applicable guidelines, court rules and orders. In these regards, Davis Polk performed services including:

- Conducting checks for conflicts of interest and correspondence regarding the same.
- Communicating with the U.S. Trustee regarding Davis Polk interim compensation issues and analysis regarding the same.

(f) Employee Labor Issues (Project Category 6)

The total number of hours billed for this project was 903.4. The total fees related to this project were \$770,588.50.

The Employee Labor Issues project category encompasses the services necessary to deal with the Debtors' unionized and non-unionized employees. Entry into chapter 11 mandates analysis of an entirely new set of issues applicable to employees, particularly union workers. To ensure that the Debtors' workforce remained and remains functioning, Davis Polk has worked on matters including:

- Drafting and negotiating a settlement with the UMWA pursuant to sections 1113 and 1114 of the Bankruptcy Code and Bankruptcy Rule 9019.
- Reviewing certain employee compensation and benefit issues, conducting related legal research and advising the Debtors regarding the same.

- Researching, drafting and negotiating modified arrangements relating to retiree life insurance benefits.

(g) Executory Contacts (Project Category 7)

The total number of hours billed for this project was 192.2. The total fees related to this project were \$126,200.00.

During the Fourth Compensation Period, Davis Polk provided substantial services with respect to the Debtors' executory contracts. Under this project category, Davis Polk worked on matters including:

- Research and analysis related to the Debtors' rights and obligations under coal supply agreements and other commercial contracts.
- Analyzing and defending a motion to assume substantially all of the Debtors' hundreds of real property leases, and rejecting several of the Debtors' real property leases including multiple settlements and contested matters concerning the same.
- Analyzing and researching issues related to numerous executory contracts and advising the Debtors regarding the assumption or rejection of the same.
- Filing and defending notices rejecting executory contracts.
- Filing and defending multiple motions and stipulations assuming executory contracts, including advising the Debtors with respect to the renegotiation of such contracts.
- Responding to numerous inquiries from contractual counterparties regarding assumption, rejection and other issues.
- Advising the Debtors regarding ordinary course amendments to contracts, re-negotiations and entry into new contracts.

(h) Financing (Project Category 8)

The total number of hours billed for this project was 3,105.6. The total fees related to this project were \$2,235,480.00.

During the Fourth Compensation Period, Davis Polk attorneys devoted substantial resources to ensuring that the Debtors' liquidity needs were satisfied so that the Debtors' business operations could continue running smoothly, customer expectations would be met and the Reorganized Debtors could successfully emerge from chapter 11. To that end, Davis Polk worked on matters including:

- Negotiating, drafting and commenting on the transaction documents relating to the Debtors' exit financing, and coordinating the closing of the same.
- Numerous telephone conferences with the lenders, counsel to lenders and other parties in connection with the exit facilities.
- Providing advice generally to the Debtors about the debtor-in-possession financing and exit facilities.

(i) First Review (Project Category 9)

The total number of hours billed for this project was 52.3. The total fees related to this project were \$14,382.50.

During the Fourth Compensation Period, Davis Polk attorneys conducted an extensive first review of the documents collected from Patriot in connection with its investigation of Peabody, reviewing the documents for privilege and relevance. As an accommodation to the Debtors, Davis Polk agreed to cap all rates at \$275 per hour for work performed in this project category.

(j) General Case Administration (Project Category 10)

The total number of hours billed for this project was 399.6. The total fees related to this project were \$254,927.50.

General Case Administration encompasses a multitude of tasks that do not fall within the other project categories. The specific tasks associated with General Case Administration include:

- Participating in numerous meetings and telephone conferences with the Debtors' management and employees covering topics such as the chapter 11 cases generally, interpretation of court orders, determination of the status of claims, contract and lease rejection issues, operational issues and general business issues.
- Participating in numerous telephone conferences with the Office of the U.S. Trustee regarding various procedural, case management and other issues.
- Preparing for, attending and taking part in bankruptcy court hearings.
- Electronic filing and coordinating with the Debtors' claims agent regarding service of court papers.
- Participating in numerous telephone conferences with the advisors to the Creditors' Committee regarding procedural, case management and other issues.

- Maintaining document archives and disseminating substantive project lists, a case calendar and various emails summarizing and discussing documents filed with the Court.
- Maintaining a case calendar and coordinating meetings and scheduling of bankruptcy court hearings.

(k) Governance Communications (Project Category 11)

The total number of hours billed for this project was 185.3. The total fees related to this project were \$162,824.50.

As part of its representation of the Debtors, Davis Polk analyzed many of the Debtors' disclosure and governance issues. To that end, Davis Polk worked on matters including:

- Preparing organizational and governance documents for the Debtors' reorganized entities and conducting associated analysis and legal research.
- Advising the Patriot Coal Corporation board of directors regarding fiduciary duty issues, disclosure obligations, business and reorganization issues, the bankruptcy process and its options regarding all of the above.
- Advising the Debtors on corporate communications issues, including responding to press inquiries.

(l) Litigation (Project Category 12)

The total number of hours billed for this project were 404.7. The total fees related to this project were \$336,531.00.

Davis Polk performed a variety of litigation services, including:

- Pursuing several adversary proceedings regarding the Debtors' contractual rights under various royalty agreements. Litigation services performed in these adversary proceedings included:
  - Researching and drafting an opposition to a motion to dismiss concerning various procedural issues;
  - Researching and drafting motions for judgment on the pleadings and to dismiss opposing parties' counterclaims concerning several complex issues of contract and bankruptcy law;
  - Researching and drafting an objection to a motion to compel concerning payment under a royalty agreement;

- Researching and drafting answers to opposing parties' counterclaim complaints;
  - Negotiating and drafting stipulations with opposing counsel regarding procedural matters;
  - Responding and objecting to discovery requests;
  - Negotiating and seeking court approval for a settlement agreement;
  - Participating in numerous teleconferences with the Debtors' retention and incentive plans.
- Preparing for and participating in all bankruptcy court hearings in connection with the above-referenced litigation matters.
  - Providing advice in connection with litigation commenced against several executives of the Debtors, including, but not limited to, advice regarding the possibility of seeking a stay of litigation from the bankruptcy court, the impact of the bankruptcy proceedings on the availability of insurance coverage, and the relationship between the case and Patriot's litigation position in other matters.
  - Commencing and prosecuting an adversary proceeding against Peabody, and successfully prosecuting a related appeal.
  - Commencing and prosecuting a successful motion to dismiss against Alpha Natural Resources, Inc.

(m) Non-Davis Polk Retention (Project Category 13)

The total number of hours billed for this project was 85.0. The total fees related to this project were \$47,221.50.

Davis Polk assisted the Debtors with issues surrounding the Debtors' retention of professionals retained specifically for these cases and other professionals retained in the ordinary course of the Debtors' businesses. Davis Polk also worked to ensure compliance of such professionals with applicable guidelines, court rules and orders. In these regards, Davis Polk performed services including:

- Reviewing, commenting upon and filing retention applications for the professionals separately retained by the Debtors in these cases.
- Communication and consultation with other retained professionals regarding monthly fee statement requirements, scheduling and procedures.

- Responding to the other retained professionals' retention, monthly fee statement and interim fee application inquiries and various assistance to those professionals.
- Communication with and advice to the Debtors regarding monthly billing schedules and procedures.
- Communication with the Debtors' retained professionals related to establishing the schedule for the third interim fee application process.
- Compiling, filing and serving monthly fee statements on all appropriate parties, pursuant to the terms of the Interim Compensation Order.
- Communication and consultation with other retained professionals regarding expansion of scope of employment to include Brody Mining, LLC and Patriot Ventures LLC in these chapter 11 cases.

(n) Non-Working Travel (Project Category 14)

The total number of hours billed for this project was 170.4. The total fees related to this project were \$77,637.75.

The Non-Working Travel project category isolates Davis Polk's non-working travel time. It includes traveling to and from various destinations as part of Davis Polk's representation of the Debtors, including, but not limited to, this Court and the Debtors' offices in St. Louis, Missouri and Charleston, West Virginia. Per the Guidelines, adjustments in the aggregate amount of \$341,794.50 were made to Davis Polk's monthly statements during the Fourth Compensation Period to reflect a 50% reduction in time billed for non-working travel time.

(o) Plan/Disclosure Statement (Project Category 15)

The total number of hours billed for this project was 3,354.3. The total fees related to this project were \$2,575,120.00.

The Court entered the Amended Confirmation Order confirming the Debtors' Plan of Reorganization on December 18, 2013 and the Plan of Reorganization became effective on that same date. Davis Polk rendered services regarding the Plan of Reorganization and the Disclosure Statement, including:

- Coordinating the closing of plan transactions, including the rights offerings and certain distributions and payments to creditors.
- Researching, drafting and negotiating the Plan of Reorganization, Disclosure Statement, rights offering documents, backstop agreement and plan supplements with numerous parties.

- Coordinating the rights offerings and coordination with the backstop parties and the Creditors' Committee concerning the same.
- Coordinating the approval process for the Debtors' Plan of Reorganization and the Debtors' emergence from chapter 11.
- Conducting offerings for new notes and warrants.
- Negotiating, drafting and researching the Peabody Settlement and Arch Settlement, and successfully prosecuting and obtaining Court approval of these settlements.
- Researching, negotiating, drafting, filing, and defending a motion to pay certain fees and expenses of potential rights offering backstop exit financing parties.
- Negotiating new corporate organizational documents.
- Conducting numerous conference calls and negotiation sessions with the Creditors' Committee, backstop parties and other creditors regarding the terms of the Plan of Reorganization, rights offerings and emergence.

(p) Preparation of Fee Statements/Applications (Project Category 16)

The total number of hours billed for this project was 261.5. The total fees related to this project were \$141,914.50.

Davis Polk began recording time to the Preparation of Fee Statements/Applications project category in January of 2013. Time dedicated to these activities was previously recorded to the Davis Polk Retention and Fee Issues project category. The Preparation of Fee Statements/Applications project category is dedicated to time spent preparing Davis Polk's monthly and interim fee statements and applications and related tasks. In connection therewith, Davis Polk performed services including:

- Drafting, reviewing, and filing the monthly bill submitted for August, September, October, November and December of 2013 in these cases to prevent disclosure of confidential information and to ensure compliance with the Interim Compensation Order and all other applicable rules and guidelines.
- Drafting, reviewing and filing Davis Polk's third interim fee statement.

(q) Regulatory and Environmental (Project Category 17)

The total number of hours billed for this project was 413.7. The total fees related to this project were \$318,897.50.

Davis Polk has assisted the Debtors with numerous environmental, regulatory and tax issues. In connection therewith, Davis Polk performed services including:

- Researching and analyzing environmental and regulatory issues, including with respect to the U.S. Securities and Exchange Commission, the Financial Industry Regulatory Authority, and the Mine Safety and Health Administration, and advising the Debtors regarding the same.
- Advising the Debtors in connection with their participation in environmental and mining legal proceedings and negotiations.
- Researching and analyzing tax issues and advising the Debtors regarding the same.
- Preparation and filing of Exchange Act filings.

35. The foregoing professional services performed by Davis Polk were necessary and appropriate to the administration of the Debtors' chapter 11 cases. These services were in the best interests of the Debtors and other parties in interest.

Compensation for the foregoing services as requested is commensurate with the complexity, importance and nature of the problems, issues and tasks involved. The services were performed in an efficient manner.

**ACTUAL AND NECESSARY EXPENSES DURING  
THE FOURTH COMPENSATION PERIOD**

36. As set forth in Exhibit A hereto, Davis Polk has incurred or disbursed \$90,466.73<sup>7</sup> in expenses in providing professional services to the Debtors during the Fourth Compensation Period. These expense amounts are intended to cover Davis Polk's direct operating costs, which costs are not incorporated into the Davis Polk hourly billing rates. Only clients who actually use services of the types set forth in

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<sup>7</sup> This amount does not include certain additional amounts that Davis Polk voluntarily wrote off during the Fourth Compensation Period.

Exhibit A are separately charged for such services. The effect of including such expenses as part of the hourly billing rates would unfairly impose additional costs upon clients who do not require extensive photocopying, delivery and other services.

37. In accordance with the Guidelines, Davis Polk is seeking reimbursement for standard photocopying expenses at the lesser of \$0.20 per page or cost and has capped all overtime meals at \$20.00.

38. On several occasions, overnight delivery of documents and other materials was required as a result of circumstances necessitating the use of such express services. These expenses are not included in Davis Polk's overhead for the purpose of setting billing rates. Per the Guidelines, Davis Polk is not seeking reimbursement of the expenses it has incurred delivering documents to Davis Polk attorneys at their homes by radio car or taxi. Davis Polk has made every effort to minimize its expenses in these cases. The actual expenses incurred in providing professional services to the Debtors were necessary, reasonable and justified under the circumstances to serve the needs of the Debtors, their estates and their creditors.

**THE REQUESTED COMPENSATION AND EXPENSE REIMBURSEMENT  
SHOULD BE ALLOWED**

39. Section 331 of the Bankruptcy Code provides for compensation of professionals and incorporates the substantive standards of section 330 to govern the Court's award of such compensation. 11 U.S.C. § 331. Section 330 provides that a court may award a professional employed under section 327 of the Bankruptcy Code "reasonable compensation for actual, necessary services rendered . . . and reimbursement

for actual, necessary expenses.” Id. § 330(a)(1). Section 330 also sets forth the criteria for the award of such compensation and reimbursement:

In determining the amount of reasonable compensation to be awarded . . . , the court shall consider the nature, the extent, and the value of such services, taking into account all relevant factors, including –

- (A) the time spent on such services;
- (B) the rates charged for such services;
- (C) whether the services were necessary to the administration of, or beneficial at the time at which the service was rendered toward the completion of, a case under this title;
- (D) whether the services were performed within a reasonable amount of time commensurate with the complexity, importance, and nature of the problem, issue, or task addressed;
- (E) with respect to a professional person, whether the person is board certified or otherwise has demonstrated skill and experience in the bankruptcy field; and
- (F) whether the compensation is reasonable based on the customary compensation charged by comparably skilled practitioners in cases other than cases under this title.

Id. § 330(a)(3).

40. Local Rule 2016(1)(B) requires that all professional fee applications analyze the 12 factors for allowance of compensation set forth in *Johnson v. Georgia Highway Express*, 388 F.2d 714 (5th Cir. 1974) (the “**Johnson Factors**”); *see also P.A. Novelly v. Palans*, 960 F.2d 728 (8th Cir. 1992); *Chamberlain v. Kula*, 213 B.R. 729, 736-739 (B.A.P. 8th Cir. 1997).

41. Davis Polk respectfully submits that its Application satisfies all of the *Johnson Factors*, as discussed below.

(a) The time and labor required. Davis Polk's representation of the Debtors as debtors-in-possession required extensive time and effort during a critical period in the Debtors' cases.

(b) The novelty and difficulty of questions. More than 5,300 motions, notices, applications, petitions, orders and other pleadings have been filed in the nearly ten months since the Petition Date (including more than 750 during the Fourth Compensation Period). Addressing these motions, negotiations and a multitude of creditor, supplier and customer inquiries has required extensive time and resources, and such efforts have been largely successful. However, the sheer number and scope of issues that have arisen during these cases demonstrate their size and complexity.

(c) The skill required to perform legal services properly. Each of the myriad novel and difficult issues presented in this case have required the dedicated and diligent attention of Davis Polk's attorneys. Davis Polk believes that its attorneys have demonstrated the skill levels necessary for the vigorous representation of the Debtors' interests in these cases.

(d) The preclusion of employment due to acceptance of the case. It cannot be known whether this assignment has precluded Davis Polk from other employment, but the professionals involved in this case devoted significant portions (and, with respect to the core members of the team, the overwhelming majority) of their time to the Debtors' affairs and were, to that extent, unable to address other matters.

(e) The customary fee. The rates charged by Davis Polk in this matter are commensurate with rates it charges for similar clients on similar matters.

(f) Whether the fee is fixed or contingent. The fees requested herein are requested on an hourly basis.

(g) Time limitations imposed by the client or the circumstances. This case posed time pressures due to the need for the Debtors to reduce their cost structure and emerge from chapter 11 expeditiously.

(h) The amount involved and the results obtained. The Debtors successfully negotiated a consensual Plan of Reorganization and emerged from chapter 11 on December 18, 2013. Davis Polk believes that the amounts involved are commensurate with the successful results obtained.

(i) The experience, reputation, and ability of the attorneys. Davis Polk is widely recognized as one of the premier law firms in the country, particularly in the area of restructuring. The Davis Polk attorneys working on this matter have substantial experience with highly complex restructuring matters.

(j) The undesirability of the case. Davis Polk was and is privileged to have the opportunity to represent the Debtors.

(k) The nature and length of the professional relationship with the client. As discussed in its employment application, Davis Polk has rendered legal services to the Debtors since 2007.

(1) Awards in similar cases. Both the rates charged and hours incurred in this case are proportionate to, and in some instances less than, fees requested in similar large chapter 11 cases throughout the U.S.

42. In the instant case, for the reasons set forth above, Davis Polk respectfully submits that the services for which it seeks compensation and the expenditures for which it seeks reimbursement in this Application were necessary for and beneficial to the orderly administration of the Debtors' estates and their rehabilitation and reorganization. Davis Polk worked assiduously to anticipate or respond to the Debtors' needs and assist in the Debtors' chapter 11 process. Such services and expenditures were necessary to and in the best interests of the Debtors' estates and creditors. Davis Polk further submits that the compensation requested herein is reasonable in light of the nature, extent, and value of such services to the Debtors, their estates and all parties in interest.

43. Whenever possible, Davis Polk sought to minimize the costs of its services to the Debtors by utilizing talented junior attorneys and paraprofessionals to handle more routine aspects of case administration. A small group of the same Davis Polk attorneys was utilized for the vast majority of the work in these cases to minimize the costs of intra-Davis Polk communication and education about the Debtors' circumstances. For example, as mentioned above, a core group of 14 Davis Polk attorneys accounted for more than 50% of the attorney hours worked, and a core group of four partners and two counsel accounted for more than 70% of the partner and counsel hours worked during the Fourth Compensation Period.

44. In sum, approval of the compensation for professional services and reimbursement of expenses sought herein is warranted.

**CONCLUSION**

WHEREFORE Davis Polk respectfully requests (i) an allowance of compensation for professional services rendered during the Fourth Compensation Period in the amount of \$7,970,222.25 and reimbursement of actual and necessary expenses Davis Polk incurred during the Fourth Compensation Period in the amount of \$90,466.73; (ii) final allowance and payment of compensation for professional services rendered during the Entire Compensation Period in the amount of \$39,663,674.00 and reimbursement of actual and necessary expenses Davis Polk incurred during the Entire Compensation Period in the amount of \$906,747.20 (which amounts include fees and expenses requested for the Fourth Compensation Period) and (iii) such other and further relief as is just.

Dated: St. Louis, Missouri  
January 31, 2014

By: /s/ Brian M. Resnick

Marshall S. Huebner  
Elliot Moskowitz  
Brian M. Resnick  
Michelle M. McGreal

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*Counsel to the Debtors  
and Debtors in Possession*

**INDEX OF EXHIBITS**

Exhibit A	Schedule of Expenses
Exhibit B	Summary of Hours and Amounts Billed by Project Category

**EXHIBIT A**

**ACTUAL AND NECESSARY EXPENSES  
INCURRED BY DAVIS POLK & WARDWELL LLP ON  
BEHALF OF THE DEBTORS DURING THE COMPENSATION PERIOD**

<b>CATEGORY OF EXPENSES</b>	<b>AMOUNTS FOR FOURTH COMPENSATION PERIOD</b>	<b>AMOUNTS FOR ENTIRE COMPENSATION PERIOD</b>
Computer research	\$17,292.16	\$376,799.08
Duplication	\$4,074.56	\$73,390.26
Litigation Support	\$113.40	\$1,668.45
Postage, courier & freight	\$1,207.14	\$8,665.73
Electronic discovery services	-	\$60.50
Court and related fees	\$13,243.60	\$48,338.32
Filing, registration, fees and taxes	-	\$104,926.00
Securities registration fees	\$4,125.00	\$4,477.00
Travel	\$36,949.41	\$215,749.48
Miscellaneous disbursements	\$1,343.05	\$1,411.24
Office charges	-	\$256.95
Outside Document Retrieval (transcript, PACER, etc.)	\$5,385.67	\$44,017.91
Meals	\$6,732.74	\$49,736.60
Second Interim Write-Offs		\$(4,409.94)
Third Interim Write-Offs		\$(18,340.38)
<b>TOTAL</b>	<b>\$90,466.73</b>	<b>\$906,747.20</b>

**EXHIBIT B**

**SUMMARY OF HOURS AND AMOUNTS BILLED DURING  
THE COMPENSATION PERIOD BY DAVIS POLK & WARDWELL LLP,  
ORGANIZED BY INTERNAL PROJECT CATEGORY**

PROJECT CATEGORY	DESCRIPTION	FOURTH COMPENSATION PERIOD		ENTIRE COMPENSATION PERIOD	
		HOURS	AMOUNT	HOURS	AMOUNT
1.	Asset Dispositions	67.2	\$54,670.00	601.0	\$477,680.50
2.	Automatic Stay / Litigation	97.2	\$77,954.50	6,437.9	\$4,803,596.50
3.	Claims Investigations	677.8	\$534,191.50	4,596.9	\$3,277,288.50
4.	Creditor/EquityHolder/UCC Issues	312.6	\$218,678.00	4,173.2	\$3,068,254.00
5.	Davis Polk Retention and Fee Issues	45.9	\$23,003.00	809.0	\$461,661.00
6.	Employee Labor Issues	903.4	\$770,588.50	15,252.6	\$11,463,109.50
7.	Executory Contracts	192.2	\$126,200.00	2,606.4	\$1,889,839.50
8.	Financing	3,105.6	\$2,235,480.00	4,321.7	\$3,120,458.00
9.	First Review	52.3	\$14,382.50	1,461.2	\$422,236.00
10.	General Case Administration	399.6	\$254,927.50	3,842.6	\$2,401,958.50
11.	Governance Communications	185.3	\$162,824.50	362.2	\$316,284.50
12.	Litigation	404.7	\$336,531.00	1,923.9	\$1,493,757.50
13.	Non-Davis Polk Retention	85.0	\$47,221.50	842.3	\$485,654.50
14.	Non-Working Travel	170.4	\$77,637.75	834.1	\$341,794.50
15.	Plan/Disclosure Statement	3,354.3	\$2,575,120.00	4,485.3	\$3,353,485.00
16.	Preparation of Fee Statements/Applications	261.5	\$141,914.50	798.0	\$433,311.50
17.	Regulatory and Environmental	413.7	\$318,897.50	2,695.4	\$2,064,565.50
18.	Securities Class Action	-	-	125.5	\$99,739.00
First Interim Write-Offs					\$(171,000)
Second Interim Write-Offs					\$(140,000)
<b>Total Hours and Compensation Requested:</b>		<b>10,728.7</b>	<b>\$7,970,222.25</b>	<b>56,169.2</b>	<b>\$39,663,674.00</b>