

Objection Deadline: Nov. 26, 2012 at 4:00 p.m. (prevailing Eastern Time)
Hearing Date: Dec. 18, 2012 at 10:00 a.m. (prevailing Eastern Time)

Thompson Coburn LLP
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Roman P. Wuller

*Special Counsel to the Debtors
and Debtors in Possession*

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

In re:

PATRIOT COAL CORPORATION, et al.,

Debtors.

Chapter 11

Case No. 12-12900 (SCC)

(Jointly Administered)

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

FIRST INTERIM APPLICATION

NAME OF APPLICATION: Thompson Coburn LLP (“Thompson Coburn”)
ROLE IN CASE: Special Counsel to the Debtors and Debtors in Possession
DATE OF RETENTION: Order entered September 10, 2012 Authorizing Retention
of Thompson Coburn Nunc Pro Tunc to July 9, 2012
(Docket No. 538)
TIME PERIOD: July 9 through and including September 30, 2012
CURRENT APPLICATION: Total Fees Requested:¹ \$94,952.25

¹ This amount reflects a 10% discount of Thompson Coburn’s standard rates provided to the Debtors.

Total Expenses Requested: \$1,696.74

PRIOR APPLICATION(S): None.

I. Partners/Counsel

Name of Partner/Counsel	Year Admitted	Department	Hourly Rate	Total Hours Billed	Total Fees
Chris Hohn	1995 – MO	Business Litigation	\$430	2.9	\$1,247.00
Mark Mattingly	2000 – IL	Business Litigation	\$330	168.6	\$55,638.00
David Warfield	1984 – MO	Financial Restructuring	\$510	3.1	\$1,581.00
Roman Wuller	1986 – MO	Business Litigation	\$475	96.7	\$45,932.50
Total Partners and Counsel				271.3	\$104,398.50
Total Fees with 10% discount applied					93,958.65

II. Associates

Name of Associate	Year Admitted	Department	Hourly Rate	Total Hours Billed	Total Fees
David Mangian	2009 – MO	Business Litigation	\$240	4.6	\$1,104.00
Total Associates				4.6	\$1,104.00
Total Fees with 10% discount applied					\$993.60

III. Paraprofessionals

No paraprofessionals have billed time on any matter during the compensation period covered by this application.

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**UNITED STATES BANKRUPTCY COURT
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In re:

PATRIOT COAL CORPORATION, *et al.*,

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Chapter 11

Case No. 12-12900 (SCC)

(Jointly Administered)

**FIRST INTERIM APPLICATION OF THOMPSON COBURN LLP FOR ALLOWANCE
OF COMPENSATION AND REIMBURSEMENT OF EXPENSES**

TO THE HONORABLE SHELLEY C. CHAPMAN
UNITED STATES BANKRUPTCY JUDGE

Thompson Coburn LLP (“**Thompson Coburn**”), special counsel to Patriot Coal Corporation and its subsidiaries that are debtors and debtors in possession in these proceedings (collectively, the “**Debtors**”), for its first interim 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 allowance of compensation for professional services performed by Thompson Coburn during the period commencing July 9, 2012 through and including September 30, 2012 (the “**Compensation**”

Period”), and for reimbursement of its actual and necessary expenses incurred during the Compensation Period, respectfully represents:

BACKGROUND

1. On July 9, 2012 (the “**Petition Date**”), each Debtor commenced with this Court a voluntary case under chapter 11 of the Bankruptcy Code. The Debtors are authorized to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107(a) and 108 of the Bankruptcy Code.

2. Pursuant to an order of this Court dated September 10, 2012 (Dkt. No. 538), the Debtors were authorized to retain Thompson Coburn as their special counsel to render legal services during the pendency of the their Chapter 11 cases *nunc pro tunc* to the Petition Date.

3. 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 28 U.S.C. § 157(b)(2). Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

SUMMARY OF REQUESTED PROFESSION COMPENSATION AND REIMBURSEMENT OF EXPENSES

4. This Application has been prepared in accordance with (a) the Amended Guidelines for Fees and Disbursements for Professionals in Southern District of New York Bankruptcy Cases adopted by the Court on November 25, 2009 (the “**Local Guidelines**”), (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 Guidelines and the UST Guidelines, the “**Guidelines**”).

5. Thompson Coburn has not previously requested any compensation from the Court for professional services or reimbursement of expenses.

6. In accordance with the Interim Compensation Order, Thompson Coburn filed a monthly fee statement covering the period from the Petition Date through August 31, 2012 [ECF No. 787] and a monthly fee statement covering the period from September 1, 2012 through September 30, 2012 [ECF No. 1429].

7. By this Application, Thompson Coburn seeks allowance in full of interim compensation for professional services rendered to the Debtors during the Compensation period, in the aggregate amount of \$94,952.25, and for reimbursement of actual, necessary expenses incurred in connection with such services in the aggregate amount of \$1,696.74. During the Compensation Period, Thompson Coburn attorneys expended a total of 275.9 hours for which compensation is sought.

8. In accordance with the Interim Compensation Order, Thompson Coburn will have received payments to date totaling \$77,658.54 (\$75,961.80 of which is for services rendered and of which \$1,696.74 is for reimbursement of expenses) for the Compensation Period. By this Application, Thompson Coburn seeks payment of the remaining \$18,990.45, which amount represents the Court-ordered 20% holdback of Thompson Coburn's requested fees during the Compensation Period.

9. During the Compensation Period, other than pursuant to the Interim Compensation order, Thompson Coburn 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

Thompson Coburn and any other person, other than partners of the firm, for the sharing of compensation to be received for services rendered in these cases.

10. The fees charged by Thompson Coburn in these cases are billed in accordance with its agreed-upon billing rates and procedures in effect during the Compensation Period. The rates charged by Thompson Coburn for the services rendered in these chapter 11 cases do not (and will not) exceed the rates Thompson Coburn customarily charges for services rendered in comparable matters – to the contrary, Thompson Coburn is providing a ten percent (10%) discount to Debtors from its customary rates for the services rendered. Such fees are reasonable based on the customary compensation charged by comparably skilled practitioners in comparable assignment in a competitive national legal market.

11. Prior to the filing of this Application, Thompson Coburn filed with the Court and served on the Debtors, the U.S. Trustee, counsel to the Debtors, attorneys for the administrative agents for Debtors' postpetition lenders, and counsel for the official committee of unsecured creditors monthly fee statements setting forth Thompson Coburn's fees for professional services rendered and expenses incurred beginning on the Petition Date through September 30, 2012. In connection with preparing each of the monthly statements and this Application, Thompson Coburn has voluntarily provided a ten percent (10%) reduction in its fees in favor of the estates for a total of \$10,550.25.

12. Pursuant to the UST Guidelines, annexed to the U.S. Trustee summary section preceding this Application is a schedule setting forth all Thompson Coburn professionals who have performed services in this chapter 11 cases during the Compensation Period the capacities in which each such individual is employed by Thompson Coburn, the department in which each individual practices, the hourly billing rate charged by Thompson Coburn for services performed

by such individual, the year in which the profession was first licensed to practice law and the jurisdiction in which each professional was licensed to practice, and the aggregate number of hours expended in this matter and fees billed therefor.

13. Pursuant to the Local Guidelines, a certification regarding compliance with the same is annexed hereto as Exhibit A.

14. Annexed hereto as Exhibit B is a schedule specifying the categories of actual, necessary expenses for which Thompson Coburn is seeking reimbursement and the total amount for each such expense category.

15. Pursuant to the UST Guidelines, annexed hereto as Exhibit C is a summary of the number of hours and amount billed by Thompson Coburn during the Compensation Period. Due to the nature of the services rendered by Thompson Coburn, the summary is organized by matter name and not by project categories.

16. Thompson Coburn maintains computerized records of the time spent by all Thompson Coburn attorneys in connection with the Debtors' chapter 11 cases.

17. To the extent time or disbursement charges for services rendered or expenses incurred relate to the Compensation Period, but were not processed prior to the preparation of this Application, Thompson Coburn reserves the right to request compensation for such services and reimbursement of such expenses in a future application.

SUMMARY OF SERVICES

18. The following summary highlights the services provided by Thompson Coburn in the initial three months of its representation as special counsel to the Debtors. Exhibit C provides a detailed breakdown of the time devoted and fees allocable to each billing matter.

(a) Bankruptcy: Thompson Coburn reviewed and analyzed coal supply contracts to identify issues, if any, arising from the filing of Debtors' chapter 11 cases and advising Debtors as to the same. Additionally, Thompson Coburn prepared materials related to its retention as special counsel, including its retention application and two monthly fee statements for the Compensation Period.

(b) Bridgehouse: Thompson Coburn has prosecuted a lawsuit against a customer styled as *Patriot Coal Sales LLC v Bridgehouse Commodities Trading Limited, et al.*, case no. 2:12-cv-03653, pending in the United States District Court for the Southern District of West Virginia. The Debtors seeks damages from the defendants for their breach of multiple contracts and fraud.

(c) Keystone: Thompson Coburn has prosecuted a lawsuit against a customer styled as *Patriot Coal Sales LLC v. Keystone Industries, LLC*, case no. 2:12-cv-01808, pending in the United States District Court for the Southern District of West Virginia. The Debtors seek damages from the defendant for its breach of a coal supply contract.

(d) GenOn: Thompson Coburn analyzed legal issues, provided advice and drafted documents relating to a customer dispute.

(e) Price Reopener: Thompson Coburn analyzed legal issues, provided advice and drafted documents relating to a customer dispute regarding a price reopener provision in a coal supply contract.

19. The foregoing professional services performed by Thompson Coburn 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

20. As set forth in Exhibit B hereto, Thompson Coburn has incurred or disbursed \$1,696.74 in expenses in providing professional services to the Debtors during the Compensation Period. These expense amounts are intended to cover Thompson Coburn's direct operating costs, which are not incorporated in the Thompson Coburn hourly billing rates. Only clients who actually use services of the types set forth in Exhibit B 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.

21. In accordance with the Guidelines, Thompson Coburn is seeking reimbursement for standard photocopying expenses at the lesser of \$0.20 per page or cost.

22. 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 Thompson Coburn's overhead for the purpose of setting billing rates. Per the Guidelines, Thompson Coburn is not seeking reimbursement of the expenses it has incurred (if any) of delivering documents to Thompson Coburn attorneys at their homes. Thompson Coburn has made every effort to minimize its expenses in these cases. The actual expenses incurred in providing professional services to the Debtors were absolutely 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**

23. 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).

24. In the instant case, Thompson Coburn respectfully submits that the services for which it seeks compensation and the expenditures for which it seeks reimbursement in this Application were necessary for, beneficial to and in the best interests of the Debtors, their estates and their creditors. Such services and expenditures were necessary to, *inter alia*, assess the Debtor's contractual exposure in light of the filing of this Chapter 11 cases, prosecute two ongoing litigation matters in which customers breached their contractual and other obligations as well as to assist Debtors in obtaining favorable resolutions to ongoing customer disputes. Thompson Coburn 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.

25. Wherever possible, Thompson Coburn sought to minimize the costs of its services to the Debtors by utilizing a core group of attorneys who are familiar with both the Debtors' business and the industry as a whole. This approach provides many benefits, such as increasing team expertise while minimizing the costs of intra-firm communications. A core group of two attorneys provided 96% of the attorney hours worked and only three other attorneys have worked on matters for which Thompson Coburn seeks reimbursement during the Compensation Period.

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

Respectfully Submitted,

THOMPSON COBURN LLP

Dated: November 16, 2012
St. Louis, Missouri

By: /s/ David A. Warfield
David A. Warfield
Roman P. Wuller
THOMPSON COBURN LLP
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*Special Counsel to the Debtors
and Debtors in Possession*

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and Debtors in Possession*

INDEX OF EXHIBITS

Exhibit A	Roman P. Wuller's Certification
Exhibit B	Schedule of Expenses
Exhibit C	Summary of Hours and Amounts Billed by Matter Name

EXHIBIT A

Thompson Coburn LLP
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Roman P. Wuller

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

In re:

PATRIOT COAL CORPORATION, *et al.*,

Debtors.

Chapter 11

Case No. 12-12900 (SCC)

(Jointly Administered)

**CERTIFICATION UNDER UNITED STATES TRUSTEE GUIDELINES IN
RESPECT OF FIRST INTERIM APPLICATION OF THOMPSON COBURN LLP FOR
COMPENSATION AND REIMBURSEMENT OF EXPENSES**

I Roman P. Wuller, hereby certify that:

1. I am a partner with the applicant firm, Thompson Coburn LLP (“**Thompson Coburn**”), with responsibility for the representation as special counsel as set forth in this Court’s Order dated September 10, 2012 for the debtors and debtors in possession in these proceedings (collectively, the “**Debtors**”) with respect to compliance with the Amended Guidelines for Fees and Disbursements for Professionals in the Southern District of New York Bankruptcy Cases adopted by the Court on November 25, 2009 (the “**Local Guidelines**”), 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 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 Guidelines and UST Guidelines, the “**Guidelines**”).

2. This certification is made in respect of Thompson Coburn’s application, dated November 16, 2012 (the “**Application**”), for compensation and reimbursement of expenses for the period commencing July 9, 2012 through and including September 30, 2012 (the “**Compensation Period**”) in accordance with the Local Guidelines.

3. In respect of Section A.1 of the Local Guidelines, I certify that:

- a. I have read the Application;
- b. to the best of my knowledge, information and belief formed after reasonable inquiry, the fees and expense reimbursements sought fall within the Guidelines;
- c. the fees and expense reimbursements sought are billed at rates not exceeding those customarily charged by Thompson Coburn and generally accepted by Thompson Coburn’s clients – to the contrary Thompson Coburn has provided the Debtors with a 10% discount from its customary rates for the services performed; and
- d. in providing a reimbursable service, Thompson Coburn does not make a profit on that service, whether the service is performed by Thompson Coburn in-house or through a third party.

4. In respect of section A.2 of the Local Guidelines and as required by the Interim Compensation order, I certify that Thompson Coburn has complied with those provision requiring it to provide the Debtors, the U.S. Trustee, counsel to the Debtors, attorneys for the

administrative agents for Debtors' postpetition lenders, and counsel for the official committee of unsecured creditors, on a monthly basis, a statement of Thompson Coburn's fees and expenses accrued during the previous month.

5. Although the Debtors have not reviewed this Application, they have reviewed Thompson Coburn's monthly statements of fees and expenses, to which there have been no objections, and approved the amounts requested.

6. In respect of section A.3 of the Local Guidelines, I certify that the Debtors, counsel for the statutory committee of unsecured creditors, and the United States Trustee for the Southern District of New York are each being provided with a copy of the Application.

Dated: November 16, 2012
St. Louis, Missouri

By: /s/ Roman P. Wuller
Roman P. Wuller
THOMPSON COBURN LLP
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St. Louis, Missouri 63101
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*Special Counsel to the Debtors
and Debtors in Possession*

EXHIBIT B

**ACTUAL AND NECESSARY EXPENSES INCURRED BY THOMPSON COBURN LLP
ON BEHALF OF THE DEBTORS DURING THE COMPENSATION PERIOD**

CATEGORY OF EXPENSES	AMOUNTS
Computer Research	\$1,283.25
Duplication	\$220.80
Postage, courier & freight	\$192.69
TOTAL	\$1,696.74

EXHIBIT C

**SUMMARY OF HOURS AND AMOUNTS BILLED DURING
THE COMPENSATION PERIOD BY THOMPSON COBURN LLP,
ORGANIZED BY INTERNAL MATTER NAME**

Matter Name	Hours	Amount¹
Bankruptcy	96.8	\$35,333.10
Bridgehouse	131.9	\$43,238.70
GenOn	5.5	\$2,233.80
Keystone	23.2	\$7,986.60
Price Reopener	18.5	\$6,160.05
Totals Hours and Compensation Requested	275.9	\$94,952.25

¹ The "Amount" column reflects the 10% discount from Thompson Coburn's standard rates provided to Debtors.