

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

In re:

PATRIOT COAL CORPORATION, *et al.*,

Debtors.¹

Chapter 11

Case No. 12-12900 (SCC)

Jointly Administered

**ORDER AUTHORIZING AND APPROVING THE EMPLOYMENT
AND RETENTION OF GCG, INC. AS ADMINISTRATIVE AGENT TO THE
DEBTORS NUNC PRO TUNC TO THE PETITION DATE**

Upon consideration of the application (the “**Section 327 Application**”)² of Patriot Coal Corporation and those of its subsidiaries that are debtors and debtors in possession (collectively, the “**Debtors**”), pursuant to section 327(a) of title 11 of the United States Code (the “**Bankruptcy Code**”) and Rule 2014(a) of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”), for entry of an order authorizing the retention and employment of GCG, Inc. (“**GCG**”) as administrative agent for the Debtors’ chapter 11 cases (collectively, the “**Chapter 11 Cases**”) *nunc pro tunc*, effective as of the Petition Date pursuant to the terms of the Engagement Agreement, all as more fully described in the Section 327 Application; and upon the Declaration of Mark N. Schroeder, Patriot Coal Corporation’s Senior Vice President and Chief Financial Officer; and upon the declaration of Angela Ferrante, attached to the Section 327 Application as Exhibit C (the “**Ferrante Declaration**”); and the Court being satisfied, based on the representations made in the Section 327 Application and the Ferrante Declaration, that GCG and

¹ The Debtors are the entities listed on Schedule 1 to the Section 327 Application. The employer tax identification numbers and addresses for each of the Debtors are set forth in the Debtors’ chapter 11 petitions.

² Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Section 327 Application.

its professionals are “disinterested” as such term is defined in section 101(14) of the Bankruptcy Code, as modified by section 1107(b) of the Bankruptcy Code, and as required under section 327(a) of the Bankruptcy Code; and that GCG and its professionals represent no interest adverse to the Debtors’ estates; and the Court having jurisdiction to consider the Section 327 Application and the relief requested therein in accordance with 28 U.S.C. §§ 157 and 1334 and the Amended Standing Order of Reference M-431, dated January 31, 2012 (Preska, C.J.); and consideration of the Section 327 Application and the relief requested therein being a core proceeding pursuant to 28 U.S.C. § 157(b); and due and proper notice of the Section 327 Application having been provided in accordance with the Order Establishing Certain Notice, Case Management and Administrative Procedures entered by the Court on July 16, 2012 [ECF No. 84]; and it appearing that no other or further notice need be provided; and a hearing having been held to consider the relief requested in the Section 327 Application (the “**Hearing**”); and upon the record of the Hearing and all of the proceedings had before the Court; and the Court having found and determined that the relief sought in the Section 327 Application is in the best interests of the Debtors, their estates, creditors and other parties in interest; and that the legal and factual bases set forth in the Section 327 Application establish just cause for the relief granted herein; and after due deliberation and sufficient cause appearing therefor, it is hereby:

ORDERED that the Section 327 Application is granted as provided herein; and it is further

ORDERED that pursuant to section 327(a) of the Bankruptcy Code and Bankruptcy Rule 2014(a), the Debtors are authorized to employ and retain GCG as administrative agent in the Chapter 11 Cases, *nunc pro tunc* to the Petition Date, pursuant to the terms and conditions set forth in the Section 327 Application and the Engagement Agreement; and it is further

ORDERED that GCG is authorized to perform the following actions and services:

- (a) Assisting with the preparation and filing of the Debtors' schedules of assets and liabilities and statements of financial affairs;
- (b) Generating and providing claim reports and claim objection exhibits, as requested by the Debtors and their professionals;
- (c) Managing the preparation, compilation and mailing of documents to creditors and other parties in interest in connection with the solicitation of a chapter 11 plan (a "**Plan**");
- (d) Managing the publication of legal notices, as requested;
- (e) Collecting and tabulating votes in connection with any Plan filed by the Debtors and providing ballot reports to the Debtors and their professionals;
- (f) Generating an official ballot certification and testifying, if necessary, in support of the ballot tabulation results; and
- (g) Managing any distributions made pursuant to a confirmed Plan;

and it is further

ORDERED that this Order shall not apply to any services GCG was authorized to render pursuant to the Section 156(c) Order; and it is further

ORDERED that, to the extent that GCG's duties exceed the scope of the Section 156(c) Order, GCG shall be compensated in accordance with, will file interim and final fee applications for allowance of its compensation and expenses pursuant to, and shall be subject to, the Fee Guidelines; and it is further

ORDERED that GCG shall be reimbursed only for actual, documented, reasonable and necessary expenses as provided in the Fee Guidelines; and it is further

ORDERED that GCG shall not be entitled to reimbursement of any attorney's fees incurred in connection with the preparation of any fee applications or drafting and negotiating the Engagement Agreement, the Section 327 Application or any related documents; and it is further

ORDERED that GCG shall apply any amounts of its prepetition retainer remaining, after applying such retainer to prepetition amounts (as described in the Section 327 Application), as a credit toward postpetition fees and expenses, after such postpetition fees and expenses are approved pursuant to the first order of the Court awarding fees and expenses to GCG; and it is further

ORDERED that GCG shall file a supplemental affidavit with the Court and give ten business days' notice to the Debtors, the U.S. Trustee and any official committee appointed in the Chapter 11 Cases, which supplemental affidavit shall explain the basis for the requested rate increases in accordance with section 330(a)(3)(F) of the Bankruptcy Code and indicate whether the Debtors have received notice of and approved the proposed rate increase; and it is further

ORDERED that GCG shall use its best efforts to avoid any duplication of services provided by any of the Debtors' other retained professionals in the Chapter 11 Cases; and it is further

ORDERED that GCG is hereby authorized to keep reasonably detailed time records in 1/10th of an hour increments, and GCG will submit such time records along with any interim or final fee application, which shall include the amount of compensation requested and a narrative summary organized by project category which shall identify: (i) the services rendered, (ii) each professional rendering such services, and (iii) the categories of such services rendered; and it is further

ORDERED that the Debtors and GCG are authorized to take such other and further actions necessary to comply with all of the duties set forth in the Section 327 Application; and it is further

ORDERED that to the extent that there may be any inconsistency between the terms of the Section 327 Application, the Engagement Agreement or this Order, the terms of this Order shall govern; and it is further

ORDERED that the relief requested herein shall continue to apply to any of the Debtors' affiliates and their respective estates that subsequently commence chapter 11 cases without the need for any further requests or motions; and it is further

ORDERED that the Debtors and GCG are authorized to take all actions necessary to effectuate the relief granted pursuant to this Order in accordance with the Section 327 Application; and it is further

ORDERED that this Court retains jurisdiction with respect to all matters arising from, or related to, the implementation and/or interpretation of this Order; and it is further

ORDERED that notice of the Section 327 Application as provided therein shall be deemed good and sufficient notice of such application, and the requirements of Bankruptcy Rule 6004(a) and the local rules of the Court are satisfied by such notice.

Dated: August 2, 2012
New York, New York

/s/ Shelley C. Chapman
HONORABLE SHELLEY C. CHAPMAN
UNITED STATES BANKRUPTCY JUDGE