

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

In re: **Chapter 11**
PATRIOT COAL CORPORATION, et al., **Case No. 12-12900 (SCC)**
Debtors. **(Jointly Administered)**

**DECLARATION AND DISCLOSURE STATEMENT OF
ANNA M. DAILEY ON BEHALF OF DINSMORE & SHOHL LLP**

Anna M. Dailey, declares and says:

1. I am a partner in the law firm of Dinsmore & Shohl LLP, located at 900 Lee Street, Suite 600, Charleston, West Virginia, 25301 (the "**Firm**").
2. Patriot Coal Corporation and its subsidiaries that are debtors and debtors in possession in the above-referenced proceedings (collectively, the "**Debtors**") have requested that the Firm provide legal services to the Debtors, and the Firm has consented to provide those services.
3. The Firm may have performed services in the past and may perform services in the future, in matters unrelated to these chapter 11 cases, for persons that are claimants or other parties in interest in the Debtors' chapter 11 cases. To the extent the Firm performs services for any such person in connection with these chapter 11 cases, they have been specifically identified to the Debtor and waivers have been agreed upon by all. Specifically, the Firm's Kentucky office has been given consent to advise two ongoing service providers (a uniform company, Sitex Corporation, and an environmental services company, ERMC2) and Arch Coal related to

agreements with DP&L and AEP. No information has been or will be exchanged by the Firm's lawyers in Kentucky offices with the lawyers in the West Virginia offices.

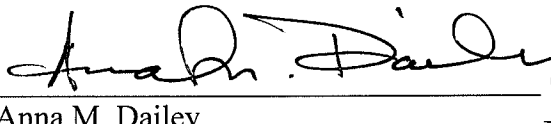
4. Neither I nor any partner or associate of the Firm, insofar as I have been able to ascertain, holds or represents any interest adverse to the Debtors or their estates with respect to the matters on which the Firm is to be employed, except to the extent the Firm's Kentucky offices are representing interests specifically identified in Paragraph 3 and which have been consented to by the Debtor. (See. Ex. 1).

5. Neither I nor any partner or associate of the Firm has agreed to share or will share any portion of the compensation to be received from the Debtors with any person other than partners and associates of the Firm.

6. The Debtors owe the Firm \$6,967.01 for prepetition services.

7. The Firm is conducting further inquiries regarding its retention by any creditors of the Debtors, and upon conclusion of that inquiry, or at any time during the period of its employment, if the Firm should discover any facts bearing on the matter described herein, the Firm will supplement the information contained in this Declaration.

8. Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct, and that this Declaration was executed on August 13, 2012.



Anna M. Dailey

Dinsmore

Legal Counsel.

DINSMORE & SHOHL LLP
Huntington Square
900 Lee Street ^ Suite 600 ^ Charleston, WV 25301
www.dinsmore.com

Anna M. Dalley
(304) 367-0923 (direct) ^ (304) 367-0919 (fax)
anna.dalley@dinsmore.com

July 23, 2012

VIA EMAIL

Joe Bean, General Counsel
Patriot Coal Corporation

Re: Dinsmore & Shohl's Representation and Advice

Dear Joe:

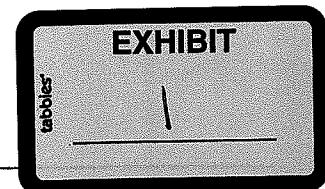
This letter is to confirm our conversations regarding Patriot's consent to certain representations by Dinsmore of others in the Patriot Coal bankruptcy proceeding. Various creditors of Patriot Coal Debtor-In-Possession (DIP) have asked Dinsmore and Shohl's Kentucky offices to represent them in the Chapter 11 bankruptcy proceeding filed by Patriot Coal. In that proceeding, Patriot Coal is using the law firm of Davis, Polk & Wardwell. Before the bankruptcy filing, Patriot Coal used Dinsmore & Shohl's West Virginia offices for periodic labor and employment advice (*Anna Dailey and Forrest Roles*) and had retained Henry Jernigan of that office to serve as local counsel in Patriot's litigation against Keystone. Henry Jernigan has been asked to continue that representation, which would result in Dinsmore's West Virginia office being asked to serve as an Ordinary Course Professional (OCP) for the DIP.

This letter is to confirm our understanding regarding Patriot Coal DIP's willingness to waive any potential conflict in Dinsmore's Kentucky office representing creditors in the bankruptcy proceeding.

In undertaking this representation of some of the creditors of Patriot Coal DIP, it is understood and agreed that nothing the attorneys of Dinsmore & Shohl's Charleston office will be of use or used in Dinsmore & Shohl's representation of creditors represented by the Kentucky office and none of that representation will be done by lawyers out of the Charleston, West Virginia office.

Specifically, Patriot Coal has agreed and consented to Dinsmore's Kentucky office representing:

1) Arch Coal in matters related to the bankruptcy proceeding as a guarantor under agreements with DP&L and AEP; and



Joe Bean
July 23, 20120
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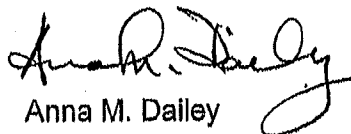
Limited to those identified

2) Unsecured creditors of Patriot Coal, including supplies or vendors such as Sitex Corporation, a uniform supplier from Henderson, KY, and Environmental Resources Management Consulting (ERMC2), an environmental consultant of the operating companies.

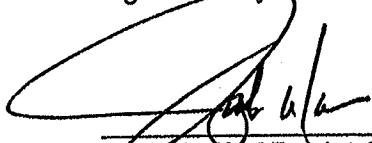
The creditors mentioned herein have agreed to an identical waiver.

Assuming this accurately reflects our understanding, I would appreciate it if you would confirm by signing where indicated below and returning a signed copy of this letter to me. If, on the other hand, my restatement of our conversations is in error or my understanding of Patriot Coal's position is in any way inaccurate, I would appreciate it if you would advise me of that as soon as possible.

Sincerely,


Anna M. Dailey

Agreed to by:



On behalf of Patriot Coal Corp –
Debtor-In-Possession, including its
subsidiary companies

271825v1

Patriot Coal Corporation, et al.
Chapter 11 Case No. 12-12900 (SCC)

RETENTION QUESTIONNAIRE

TO BE COMPLETED BY PROFESSIONALS EMPLOYED BY PATRIOT COAL CORPORATION, *et al.* (the "Debtors")

DO NOT FILE THIS QUESTIONNAIRE WITH THE COURT.
RETURN IT FOR FILING BY THE DEBTORS TO:

Davis Polk & Wardwell LLP
450 Lexington Avenue
New York, New York 10017
Attn: Marshall S. Huebner and Brian M. Resnick

All questions **must** be answered. Please use "none," "not applicable," or "N/A," as appropriate. If more space is needed, please complete on a separate page and attach.

1. Name and address of firm:

Dinsmore & Shohl LLP

P. O. Box 11887

Charleston, WV 25339-11887

Date of retention: April, 2012

2. Brief description of services to be provided:

Serve as responsible local counsel in prosecution
of litigation matters for Patriot Coal Corporation
for breach of contract and provide discrete labor and/or
employment law advice as appropriate.

3. Arrangements for compensation (hourly, contingent, etc.)
hourly and billed monthly
- (a) Range of hourly rates (if applicable): \$155.00 - \$355.00
- (b) Estimated average monthly compensation based on prepetition retention (if firm was employed prepetition):
\$5,000 - \$15,000 monthly
4. Prepetition claims against any of the Debtors held by the firm:
Amount of claim: \$6,967.01
Date claim arose: Prepetition legal fees performed prior to 7/9/12
Source of claim: _____
5. Prepetition claims against any of the Debtors held individually by any of the firm's attorneys:
Name: N/A
Status: _____
Amount of claim: \$ _____
Date claim arose: _____
Source of claim: _____
6. Stock of any of the Debtors currently held by the firm:
Kind of shares: N/A
No. of shares: _____
7. Stock of any of the Debtors currently held individually by any of the firm's attorneys:
Name: N/A
Status: _____
Kind of shares: _____
No. of shares: _____

8. Disclose the nature and provide a brief description of any interest adverse to the Debtors or to their estates for the matters on which the firm is to be employed.

None, except as identified in the affidavit and waiver letter.

9. Name of individual completing this form.

W. Henry Jernigan, Jr.