



MPC-Proposed DIP Financing Budget [IWOV-ButlerSnow.FID4871637]

Steve Rosenblatt

to:

'Roy_Furrh@deq.state.ms.us'

06/17/2015 11:15 AM

Cc:

""Long, Kenneth (ENRD)"" , ""Tenenbaum, Alan (ENRD)"" , ""Fingerhood, Karl (ENRD)"" ,
""Raack, Pete"" , ""Redleaf-Durbin, Joan"" , ""Binford, Marshall"" ,
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1 Attachment



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Roy, as I told you yesterday, we plan to file our second fee application with the Court shortly. That application, like our first application, will have detailed information in it.

We share your concern about the professional fees, and we welcome your thoughts about specifics of what we can do to continue to provide the kind of legal service the Debtor needs without jeopardizing the chapter 11 process. To address your concerns about legal fees, we will be glad to meet with Judge Houston, whom MDEQ has retained and who is included on this email, to review the matters we are handling, our staffing on such matters, and work through any of these issues related to professional fees with him.

Attached is our estimate of fees through September 15 that we provided to the CRO earlier. We were under budget for May, but will be over substantially for June (primarily on a workflow timing basis resulting from the negotiations and the settlement drafting of the agreement between the Governments and the Lenders not progressing as quickly as we had anticipated). I expect that our actual fees and expenses will be in excess of our estimated amounts on a cumulative basis through June 2015. Additionally, we believe the amounts in our projections through September 15 also may be underestimated, even if that date can be met.

EXHIBIT

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With respect to the quarterly financial assurance payments (\$200,000 a quarter) for closure and post closure activities at the MPC facility, as Jon Nash and I previously advised you, the Debtors requested funding for those payments in our budget, but those requests were not approved by the Lenders. We advocated strongly for those payments to be included, but we could not obtain approval for those items. I suggest you again take that issue up with the Lenders or with the Court since we cannot make payments contrary to our approved DIP Budget.

Steve

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From: Roy_Furrh@deg.state.ms.us [mailto:Roy_Furrh@deg.state.ms.us]

Sent: Tuesday, June 16, 2015 5:02 PM

To: Steve Rosenblatt

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Subject: MPC-Proposed DIP Financing Budget

Steve,

As we discussed last Friday, June 12, and today, MDEQ is concerned about the amount of the Butler Snow legal fees and other professional fees included in the proposed DIP Financing Budget submitted for review on Thursday, June 11, in the MPC bankruptcy. DOJ has also expressed interest related to the proposed professional fees.

MDEQ is also concerned the required quarterly financial assurance trust payment (\$200,000 a quarter) for closure and post closure activities at the MPC facility was not funded in the first quarter and the proposed DIP budget does not include financial assurance payments for the upcoming second and third quarters of 2015.

I have also spoken to Lenders' counsel about our concerns.

In our conversation today, you indicated that Butler Snow plans to file an updated statement of its legal fees with specifics in the next couple of days which the Governments will review. As I mentioned to you in our earlier call today, MDEQ also requests details (budgets, supporting documentation, etc.) of legal and other professional fees proposed for the future.

If you have any questions related to this request, please call me at (601) 961-5260.

Appreciate your assistance.

Roy

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**Estimated Butler Snow Fees
(May - September 15, 2015)**

<u>Month</u>	<u>Estimated Amount</u>	<u>Cumulative</u>
May	\$275,000	\$275,000
June	\$135,000	\$410,000
July	\$275,000	\$685,000
August	\$165,000	\$850,000
September (thru 9-15-2015)	\$25,000	\$875,000