

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

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: **Chapter 11**  
: **Case No. 11-12804 ( )**  
: **Joint Administration Requested**  
: **Debtors.<sup>1</sup>**  
: **Chapter 11**  
: **Case No. 11-12804 ( )**  
: **Joint Administration Requested**  
: **Debtors.<sup>1</sup>**  
-----X

**DEBTORS’ MOTION PURSUANT TO SECTIONS 105(a) AND 331 OF THE  
BANKRUPTCY CODE AND BANKRUPTCY RULE 2016(a) AND LOCAL RULE 2016-2  
FOR ORDER AUTHORIZING PROCEDURES FOR INTERIM COMPENSATION  
AND REIMBURSEMENT OF EXPENSES OF PROFESSIONALS**

NewPage Corporation (“NewPage”) and certain of its subsidiaries and affiliates, as debtors and debtors in possession (collectively with NewPage, the “Debtors”), submit this motion (the “Motion”) for an order authorizing the establishment of an orderly and regular process for the allowance and payment of interim compensation and reimbursement of expenses for attorneys and other professionals retained in the Debtors’ chapter 11 cases. In support of this Motion, the Debtors respectfully represent:

**Background**

1. On the date hereof (the “Commencement Date”), each of the Debtors commenced a voluntary case under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”). The Debtors continue to operate their businesses and manage their

<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, as applicable, are: Chillicothe Paper Inc. (6154), Escanaba Paper Company (5598), Luke Paper Company (6265), NewPage Canadian Sales LLC (5384), NewPage Consolidated Papers Inc. (8330), NewPage Corporation (6156), NewPage Energy Services LLC (1838), NewPage Group Inc. (2465), NewPage Holding Corporation (6158), NewPage Port Hawkesbury Holding LLC (8330), NewPage Wisconsin System Inc. (3332), Rumford Paper Company (0427), Upland Resources, Inc. (2996), and Wickliffe Paper Company LLC (8293). The Debtors’ corporate headquarters is located at 8540 Gander Creek Drive, Miamisburg, OH 45342.



properties as debtors in possession as authorized by sections 1107(a) and 1108 of the Bankruptcy Code.

2. Contemporaneously herewith, the Debtors filed a motion seeking the joint administration of their chapter 11 cases, for procedural purposes only, pursuant to Rule 1015(b) of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”) and Rule 1015-1 of the Local Rules of Bankruptcy Practice and Procedure for the District of Delaware (the “Local Rules”).

### **Jurisdiction and Venue**

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

### **The Debtors’ Businesses**

#### **A. The Company’s Organization**

4. The Debtors and their non-debtor subsidiaries and affiliates (the “Company”) comprise the largest coated paper manufacturer in North America, based on production capacity. NewPage Group Inc. owns 100% of the common stock of NewPage Holding Corporation, which in turn owns 100% of the common stock of NewPage. NewPage is the Company’s primary operating subsidiary and directly and indirectly owns the other Debtors (the “Subsidiary Debtors”) and various other affiliated non-debtor entities. The Subsidiary Debtors primarily own and operate the various paper mills in the United States. Non-debtor NewPage Port Hawkesbury Corp. (“NPPH”), which is contemporaneously commencing proceedings under Canada’s *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (as amended, the “CCAA”) in the Supreme Court of Nova Scotia, in Halifax, Nova Scotia, Canada

(the “Canadian Court,” and the filing, the “Canadian Proceeding”), primarily owns and operates a mill in Canada and manages the Debtors’ Canadian operations.

**B. The Company’s Business**

5. Headquartered in Miamisburg, Ohio, the Company’s mills primarily produce coated paper, which, unlike common writing or typing paper, is typically used in magazines, magazine covers and inserts, corporate annual reports, high-end advertising brochures, direct mail advertising, coated labels, catalogs, and textbooks. While the Company also manufactures supercalendered paper, uncoated paper, specialty labels, and newsprint, coated paper represented approximately 80% of its net sales for the year ended December 31, 2010.

*Manufacturing*

6. The Company operates 16 papermaking machines at paper mills located in Kentucky, Maine, Maryland, Michigan, Minnesota, and Wisconsin, with distribution centers near major print markets, including New York, Chicago, Minneapolis, and Atlanta. As of June 30, 2011, the Company had production capacity of approximately 3.6 million short tons (one short ton equals 2,000 pounds) of paper, including approximately 2.9 million short tons of coated paper, approximately 500,000 short tons of uncoated paper, and approximately 200,000 short tons of specialty paper.

*Sales, Marketing, and Distribution*

7. The Company sells paper products primarily in the United States and Canada, using three sales channels: (a) direct sales, which consist of sales made directly to end-use customers (primarily large companies such as publishers, printers, and retailers); (b) merchant sales, which consist of sales made to paper merchants and brokers, who in turn sell to end-use customers; and (c) specialty sales, which consist of sales made to packaging and label

manufacturers. As part of its distribution chain, the Company owns one warehouse, leases space in approximately 35 warehouses, and uses third parties to ship its products by truck and rail.

### **Events Leading To Chapter 11**

8. Several factors contributed to the commencement of these chapter 11 cases. As with any business, the Debtors' financial performance depends primarily on the demand for its products and the prices at which they can be sold. In the last few years, the Debtors have seen a significant decline in the North American demand for coated paper and, although this decline has impacted many of the markets for the Debtors' key products, it has yet to result in a counterbalancing decrease in the production capacity trying to access those markets.

9. This decrease in demand has stemmed from a number of factors. These include a general decrease in both advertising spending and magazine/catalog circulation driven largely by the current unrest in the global economy and the preceding "great recession"; increases in the use of electronic data transmission and storage; continued expansion of the Internet as a medium for numerous advertising and marketing applications; an increased demand for electronic reading material; and increased postal rates. These factors have contributed to substantial price competition and volatility in the pulp and paper industry.

10. In addition, despite the decline in North American demand, foreign imports from Europe and Asia, driven by similar overcapacity in their own markets, continue to have a negative impact on North American coated paper suppliers. This has led to significant levels of market-related downtime and temporary shutdowns, especially during 2008 and 2009.

11. Finally, the rising costs of raw materials, including significant increases in energy, fuel and chemical costs, have also negatively impacted the Debtors' financial performance, liquidity and stability. These market factors, exacerbated by the Debtors'

relatively high level of structured debt, have resulted in the Debtors seeking chapter 11 protection despite their ability to generate significant levels of EBITDA and unlevered cash flow.

12. By the second quarter of 2011, the Debtors' liquidity position became severely constrained. As a result, the Debtors began to consider various restructuring alternatives, and after considering all available options, the Debtors concluded that seeking chapter 11 relief would be in their best interests, as well as those of their creditors and other parties in interest.

13. As of July 31, 2011, the Company's aggregate workforce consisted of approximately 6,000 employees, of which approximately 70% are represented by labor unions. As of June 30, 2011, the Company's unaudited consolidated balance sheet reflected total assets of approximately \$3.4 billion and total liabilities of approximately \$4.2 billion. For the quarter ended June 30, 2011, the Company reported total gross revenue of approximately \$888 million and Adjusted EBITDA of \$32 million.

#### **Relief Requested**

14. By this Motion, pursuant to sections 105(a) and 331 of the Bankruptcy Code and Bankruptcy Rule 2016(a), the Debtors seek an order, substantially in the form attached hereto as Exhibit A, authorizing the establishment of an orderly and regular process for the allowance and payment of interim compensation and reimbursement of expenses for attorneys and other professionals (collectively, the "Professionals") whose retentions are authorized by this Court pursuant to section 327 or 1103 of the Bankruptcy Code. The Professionals seeking compensation will be required to file fee applications for allowance of payment of compensation and reimbursement of expenses pursuant to sections 330 and 331 of the Bankruptcy Code on terms that satisfy the requirements of Local Rule 2016-2. Additionally, the Debtors seek approval of a procedure for reimbursement of reasonable out-of-pocket expenses incurred by

members of any statutory committee appointed in these cases. This Motion is supported by the *Declaration of George F. Martin in Support of the Debtors' First Day Motions and Applications*, filed contemporaneously herewith.

### **Retention of Professionals**

15. By separate applications filed on, or as soon as practicable after, the Commencement Date, the Debtors will seek authority to retain and employ (i) Dewey & LeBoeuf LLP, as counsel to the Debtors, (ii) Pachulski Stang Ziehl & Jones LLP, as local counsel to the Debtors, (iii) Lazard Frères & Co. LLC, as financial advisor and investment banker to the Debtors, (iv) Kurtzman Carson Consultants LLC, as claims and noticing agent for the Debtors, and (v) FTI Consulting, as financial consultant to the Debtors. From time to time, the Debtors may also need to retain additional Professionals to prosecute these chapter 11 cases.<sup>2</sup> In addition, a statutory committee of unsecured claimholders (the "Committee") will likely be appointed in these cases, and that Committee will retain Professionals to assist it in fulfilling its statutory and fiduciary obligations.

### **Proposed Procedures**

16. The Debtors propose that, except as otherwise provided in an order of the Court authorizing the retention of a particular Professional, the Professionals be permitted to seek interim payment of compensation and reimbursement of expenses in accordance with the following procedures (collectively, the "Interim Compensation Procedures"):

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<sup>2</sup> Ordinary course professionals (the "Ordinary Course Professionals") may also be retained in accordance with the *Debtors' Motion Pursuant to Sections 105(a), 327, 328, and 330 of the Bankruptcy Code for Authority to Employ Ordinary Course Professionals nunc pro tunc to the Commencement Date* (the "Ordinary Course Professionals Motion"), which the Debtors are filing contemporaneously herewith. If the Court grants the relief requested in the Ordinary Course Professionals Motion, Ordinary Course Professionals will not need to file individual retention applications and, subject to monthly caps on fees and expenses, the Debtors will be authorized to pay such professionals in full without interim or final fee applications.

- a. On or before the 25th day of each calendar month, or as soon as practicable thereafter (but not earlier than the 15th day of each calendar month), each Professional may file an application (a “Monthly Fee Application”) with the Court for interim approval and allowance of compensation for services rendered and reimbursement of expenses incurred during any preceding month or months, and serve a copy of such Monthly Fee Application by overnight mail on each of the following parties:
- i. the Debtors, NewPage Corporation, *et al.*, 8540 Gander Creek Drive, Miamisburg, OH 45342, Attn: Douglas K. Cooper;
  - ii. co-attorneys to the Debtors, Dewey & LeBoeuf LLP, 1301 Avenue of the Americas, New York, NY, 10019, Attn: Judy G.Z. Liu, Esq., and Philip M. Abelson, Esq.;
  - iii. co-attorneys to the Debtors, Pachulski Stang Ziehl & Jones LLP, 919 North Market Street, 17th Floor, Wilmington, DE 19801, Attn: Laura Davis Jones, Esq.;
  - iv. the Office of the United States Trustee for the District of Delaware (the “U.S. Trustee”), 844 King Street, Suite 2207, Wilmington, DE 19801 (re: *In re NewPage Corp., et al.*);
  - v. Counsel to a statutory committee of creditors when appointed; and
  - vi. counsel to JPMorgan Chase Bank, N.A., as administrative agent for the Debtors’ proposed postpetition financing facility (only if and when such financing is approved), Davis Polk & Wardwell LLP, 450 Lexington Avenue, New York, NY 10017, Attn: Marshall S. Huebner (collectively, with (i) – (v) above, the “Notice Parties”).

Any Professional that fails to file a Monthly Fee Application for a particular month or months may subsequently submit a consolidated Monthly Fee Application for such month or months. All Monthly Fee Applications shall comply with the Bankruptcy Code, the Bankruptcy Rules, the applicable Third Circuit law, and Local Rule 2016-2.

- b. In accordance with the procedures described in subparagraph (c) below, each Notice Party must file and serve upon the Professional that filed the Monthly Fee Application and the other Notice Parties, so as to be received on or before 4:00 p.m. (prevailing Eastern Time) on the 20th day (or the next business day if such day

is not a business day) following service of the Monthly Fee Application (the “Objection Deadline”) any objection to the requested fees and expenses. Upon expiration of the Objection Deadline, a Professional may file a certificate of no objection (a “CNO”) with the Court with respect to the unopposed portion of the fees and expenses requested in its Monthly Fee Application. After a CNO is filed, the Debtors are authorized and directed to pay the Professional an amount (the “Permitted Monthly Payment”) equal to the lesser of (i) 80% of the fees and 100% of the expenses requested in the applicable Monthly Fee Application (the “Maximum Monthly Payment”) and (ii) the Maximum Monthly Payment less the portion thereof subject to objection (the “Incremental Amount”) pursuant to subparagraph (c) below.

- c. If any Notice Party wishes to object to a Professional’s Monthly Fee Application, it must (i) file a written objection (an “Objection”) with the Court on or before the Objection Deadline and (ii) serve the Objection on the Professional that filed the Monthly Fee Application and each of the other Notice Parties so it is received by each of these parties on or before the Objection Deadline. Thereafter, the objecting party and the affected Professional may attempt to resolve the Objection on a consensual basis. If the parties are unable to reach a resolution of the Objection, the affected Professional may either (i) file a request with the Court for payment of the fees and expenses that are subject to the Objection or (ii) forego payment of the Incremental Amount until the next interim or final fee application hearing, at which time the Court may consider and dispose of the Objection if requested by the parties.
- d. Each Professional may submit its first Monthly Fee Application no earlier than the 15th day of the second full month of the Debtors’ cases. This initial Monthly Fee Application will cover the period from the Commencement Date through the end of the full month preceding the filing date of the Monthly Fee Application. Accordingly, no Professional should submit a first Monthly Fee Application in these chapter 11 cases prior to November 15, 2011. Thereafter, Professionals may file Monthly Fee Applications in the manner described above.
- e. At three-month intervals or such other intervals convenient to the Court (the “Interim Fee Period”), each of the Professionals may file with the Court and serve on the Notice Parties a request (an “Interim Fee Application Request”) for interim Court approval and allowance of the payment of compensation and reimbursement of expenses sought by such Professional in its Monthly Fee Applications, including any holdbacks, filed during the Interim Fee



Period, pursuant to section 331 of the Bankruptcy Code. The Interim Fee Application Request must include a brief description identifying the following:

- i. the Monthly Fee Applications that are the subject of the request;
- ii. the amount of fees and expenses requested;
- iii. the amount of fees and expenses paid to date or subject to an Objection;
- iv. the deadline for parties other than the Notice Parties to file objections (the “Additional Objections”) to the Interim Fee Application Request; and
- v. any other information requested by the Court or required by the Local Rules.

Objections, if any, to the Interim Fee Application Requests shall be filed and served upon the Professional that filed the Interim Fee Application and the other Notice Parties so as to be received on or before the 20th day (or the next business day if such day is not a business day) following service of the applicable Interim Fee Application Request.

- f. The Debtors will request that the Court schedule a hearing on the Interim Fee Application Requests at least once every six months. The Debtors, however, may request that a hearing be held every three months or at such other intervals as the Court deems appropriate. If no Objections are pending and no Additional Objections are timely filed, the Court may grant an Interim Fee Application Request without a hearing.
- g. The first Interim Fee Period will cover the month in which the Commencement Date occurs and the three full months immediately following such month. Accordingly, as applicable to these chapter 11 cases, the first Interim Fee Period will cover September 7, 2011, through December 31, 2011. Each Professional must file and serve its first Interim Fee Application Request on or before the 45th day following the end of the first Interim Fee Period. Thus, the first Interim Fee Application Requests must be filed on or before February 14, 2012.
- h. The pendency of an Objection to payment of compensation or reimbursement of expenses will not disqualify a Professional from the future payment of compensation or reimbursement of expenses under the Interim Compensation Procedures. Any Professional

that fails to file a Monthly Fee Application or an Interim Fee Application Request when due or permitted will be ineligible to receive further interim payments of fees or reimbursement of expenses under the Interim Compensation Procedures until such time as a Monthly Fee Application or Interim Fee Application Request is submitted by the Professional. There will be no other penalties for failing to file a Monthly Fee Application or an Interim Fee Application Request in a timely manner.

- i. Neither (i) the payment of or the failure to pay, in whole or in part, interim compensation and/or the reimbursement of or the failure to reimburse, in whole or in part, expenses under the Interim Compensation Procedures nor (ii) the filing of or failure to file an Objection will bind any party in interest or the Court with respect to the final allowance of applications for payment of compensation and reimbursement of expenses of Professionals. All fees and expenses paid to Professionals under the Interim Compensation Procedures are subject to disgorgement until final allowance by the Court.

17. The Debtors also request that each member of any statutory committee be permitted to submit statements of expenses (excluding third-party attorney or other fees or expenses of individual committee members) and supporting vouchers to the respective committee's counsel, which counsel will collect and submit for reimbursement in accordance with the Interim Compensation Procedures. Approval of these Interim Compensation Procedures, however, will not authorize payment of such expenses to the extent that such authorization does not comply with the Bankruptcy Code, the Bankruptcy Rules, applicable Third Circuit law, the Local Rules, or the practices of this Court.

18. In addition, the Debtors request that the Court limit the notice of interim and final fee application requests to (a) the Notice Parties and (b) all parties that have filed a notice of appearance with the Clerk of this Court, pursuant to Bankruptcy Rule 2002, and requested such notice. The Debtors further request that (a) the Notice Parties be entitled to receive the Monthly Fee Applications, any Interim Fee Application Requests, any final fee application requests, and any notices of hearing on interim or final fee application requests (the

“Hearing Notices”) and (b) all other parties entitled to notice shall be entitled to receive only the Hearing Notices. Providing notice of interim and final fee application requests in this manner will permit the parties most active in these chapter 11 cases to review and, if warranted, object to professional fees and expenses, and will save the expense of undue duplication and mailing.

19. The Debtors will include all payments made to Professionals in accordance with the Interim Compensation Procedures in their monthly operating report, identifying the amount paid to each of the Professionals as of the date of such report.

#### **Applicable Authority**

20. Pursuant to section 331 of the Bankruptcy Code and Bankruptcy Rule 2016, all professionals are entitled to submit applications for interim compensation and reimbursement of expenses every 120 days or more often if the court permits. Section 105(a) of the Bankruptcy Code authorizes the Court to issue any order “that is necessary or appropriate to carry out the provisions of [the Bankruptcy Code].” 11 U.S.C. § 105(a). Thus, this Court has authority to enter an order authorizing the proposed Interim Compensation Procedures. The proposed Interim Compensation Procedures comply with the requirements of section 331 of the Bankruptcy Code and Bankruptcy Rule 2016, and further requires that all Professionals comply with Local Rule 2016-2.

21. The implementation of the proposed Interim Compensation Procedures is justified in these cases. These chapter 11 cases will add further complexities to the day-to-day administrative burden already being shouldered by the Debtors’ management, employees, and resources. It is anticipated that the Professionals will provide integral advice and services to the Debtors during these cases. Absent streamlined compensation procedures, the professional fee application and review process would be exceptionally burdensome on the Debtors, the Professionals, the Court, and other parties in interest. By contrast, the proposed Interim

Compensation Procedures will enable the Debtors to closely monitor the costs of administration of these cases, maintain a level cash flow, and implement efficient cash management procedures. Moreover, these procedures will also allow the Court and the key parties in interest to verify the reasonableness and necessity of the compensation and reimbursement sought pursuant to the Interim Compensation Procedures.

22. The proposed procedures are similar to those approved in other cases in this district. *See, e.g., In re Capmark Fin. Grp. Inc.*, No. 09-13684 (CSS) (Bankr D. Del. Nov. 24, 2009) [Docket No. 337]; *In re Accredited Home Lenders Holding Co.*, No. 09-11516 (MFW) (Bankr. D. Del. May 27, 2009) [Docket No. 109]; *In re Aleris Int'l, Inc.*, No. 09-10478 (BLS) (Bankr. D. Del. Mar. 11, 2009) [Docket No. 251]; *In re Nortel Networks Inc.*, No. 09-10138 (KJC) (Bankr. D. Del. Feb. 4, 2009) [Docket No. 222]; and *In re SemCrude L.P.*, No. 08-11525 (BLS) (Bankr. D. Del. Aug. 18, 2008) [Docket No. 815]. The Debtors submit that similar relief is warranted in these chapter 11 cases.

#### Notice

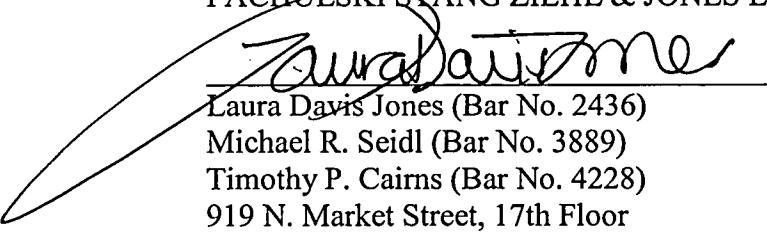
23. No trustee, examiner, or statutory creditors' committee has been appointed in these chapter 11 cases. Notice of this Motion has been provided by facsimile, electronic mail transmission, overnight delivery and/or hand delivery to the following parties: (i) the Office of the United States Trustee for the District of Delaware; (ii) counsel to JPMorgan Chase Bank, N.A., as administrative agent for the proposed debtor in possession financing; (iii) counsel to Wells Fargo Capital Finance LLC, as administrative agent for the prepetition senior secured revolver; (iv) counsel to Bank of New York Mellon, as indenture trustee for the 11.375% senior secured first-lien notes due 2014; (v) counsel to HSBC Bank USA, National Association, as indenture trustee for (a) the 10% fixed rate senior secured second lien notes due 2012, (b) the floating rate senior secured second lien notes due 2012, (c) the 12% senior unsecured

subordinated notes due 2013, (d) the floating rate senior unsecured PIK notes due 2013, and (e) the floating rate senior unsecured PIK notes due 2015; (vi) counsel to the informal group of certain holders of the 10% fixed rate senior secured second lien notes and floating rate senior secured second lien notes; (vii) counsel to the *ad hoc* steering committee of certain holders of 11.375% senior secured first lien notes; and (viii) those creditors holding the 30 largest unsecured claims against the Debtors' estates (on a consolidated basis). The Debtors submit that no other or further notice need be provided.

WHEREFORE the Debtors respectfully request an order (i) authorizing the establishment of an orderly and regular process for the allowance and payment of interim compensation, and the reimbursement of expenses for attorneys and other professionals retained in these chapter 11 cases, (ii) approving the Interim Compensation Procedures, and (iii) granting such other and further relief as the Court deems just and proper.

Dated: September 7, 2011  
Wilmington, Delaware

PACHULSKI STANG ZIEHL & JONES LLP



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*Proposed Attorneys for the Debtors and Debtors  
in Possession*

**EXHIBIT A**

**Proposed Order**

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

-----X  
: **Chapter 11**  
: **Case No. 11-12804 ( )**  
: **Jointly Administered**  
:   
-----X

*In re*  
**NEWPAGE CORPORATION, et al.,**  
**Debtors.**<sup>1</sup>

**ORDER PURSUANT TO SECTIONS 105(a) AND 331 OF THE  
BANKRUPTCY CODE AND BANKRUPTCY RULE 2016(a) AND  
LOCAL RULE 2016-2 ESTABLISHING PROCEDURES FOR INTERIM  
COMPENSATION AND REIMBURSEMENT OF EXPENSES OF PROFESSIONALS**

Upon the motion dated September 7, 2011 (the “Motion”),<sup>2</sup> of NewPage Corporation (“NewPage”) and certain of its subsidiaries and affiliates, as debtors and debtors in possession (collectively with NewPage, the “Debtors”) pursuant to sections 105(a) and 331 of title 11 of the United States Code (the “Bankruptcy Code”) and Rule 2016(a) of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), for an order establishing procedures for the allowance and payment of interim compensation and reimbursement of expenses of attorneys and other professionals retained in the Debtors’ chapter 11 cases whose retentions are authorized by this Court pursuant to section 327 or 1103 of the Bankruptcy Code (collectively, the “Professionals”), all as more fully described in the Motion, and the Court having subject matter jurisdiction to consider the Motion and to grant the relief requested therein in accordance

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<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, as applicable, are: Chillicothe Paper Inc. (6154), Escanaba Paper Company (5598), Luke Paper Company (6265), NewPage Canadian Sales LLC (5384), NewPage Consolidated Papers Inc. (8330), NewPage Corporation (6156), NewPage Energy Services LLC (1838), NewPage Group Inc. (2465), NewPage Holding Corporation (6158), NewPage Port Hawkesbury Holding LLC (8330), NewPage Wisconsin System Inc. (3332), Rumford Paper Company (0427), Upland Resources, Inc. (2996), and Wickliffe Paper Company LLC (8293). The Debtors’ corporate headquarters is located at 8540 Gander Creek Drive, Miamisburg, OH 45342.

<sup>2</sup> Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Motion.



with 28 U.S.C. § 1334; and consideration of the Motion and the relief requested therein being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and no trustee, examiner, or statutory creditors' committee having been appointed in these chapter 11 cases; and due and proper notice of the Motion having been provided, 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 Motion (the "Hearing"); and upon the *Declaration of George F. Martin in Support of the Debtors' First Day Motions and Applications*, the record of the Hearing, and all the proceedings had before the Court; and any objections to the Motion having been withdrawn or overruled; and the Court having found and determined that the relief sought in the Motion is in the best interests of the Debtors, their estates and creditors, and all parties in interest, and that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and after due deliberation and sufficient cause appearing therefor, it is

ORDERED that the Motion is granted as may be modified herein; and it is further

ORDERED that, except as may otherwise be provided in orders of the Court authorizing the retention of specific Professionals, all Professionals in these cases may seek interim payment of compensation and reimbursement of expenses in accordance with the following procedures (the "Interim Compensation Procedures"):

- a. On or before the 25th day of each calendar month, or as soon as practicable thereafter (but not earlier than the 15th day of each calendar month), each Professional may file an application (a "Monthly Fee Application") with the Court for interim approval and allowance of compensation for services rendered and reimbursement of expenses incurred during any preceding month or months, and serve a copy of such Monthly Fee Application by overnight mail on each of the following parties:

- i. the Debtors, NewPage Corporation, *et al.*, 8540 Gander Creek Drive, Miamisburg, Ohio 45342, Attn: Douglas K. Cooper;
- ii. co-attorneys to the Debtors, Dewey & LeBoeuf LLP, 1301 Avenue of the Americas, New York, NY, 10019, Attn: Judy G.Z. Liu, Esq., and Philip M. Abelson, Esq.;
- iii. co-attorneys to the Debtors, Pachulski Stang Ziehl & Jones LLP, 919 North Market Street, 17th Floor, Wilmington, DE 19801, Attn: Laura Davis Jones, Esq.;
- iv. the Office of the United States Trustee for the District of Delaware, 844 King Street, Suite 2207, Wilmington, DE 19801 (re: *In re NewPage Corp., et al.*);
- v. counsel to a statutory committee of creditors when appointed; and
- vi. counsel to JPMorgan Chase Bank, N.A., as administrative agent for the Debtors' proposed postpetition financing facility (only if and when such financing is approved), Davis Polk & Wardwell LLP, 450 Lexington Avenue, New York, NY 10017, Attn: Marshall S. Huebner (collectively, with (i) – (v) above, the "Notice Parties").

Any Professional that fails to file a Monthly Fee Application for a particular month or months may subsequently submit a consolidated Monthly Fee Application for such month or months. All Monthly Fee Applications shall comply with the Bankruptcy Code, the Bankruptcy Rules, the applicable Third Circuit law, and Rule 2016-2 of the Local Bankruptcy Rules for the District of Delaware (the "Local Rules").

- b. In accordance with the procedures described in subparagraph (c) below, each Notice Party must file and serve upon the Professional that filed the Monthly Fee Application and the other Notice Parties, so as to be received on or before 4:00 p.m. (prevailing Eastern Time) on the 20th day (or the next business day if such day is not a business day) following service of the Monthly Fee Application (the "Objection Deadline") any objection to the requested fees and expenses. Upon expiration of the Objection Deadline, a Professional may file a certificate of no objection (a "CNO") with the Court with respect to the unopposed portion of the fees and expenses requested in its Monthly Fee Application. After a CNO is filed, the Debtors are authorized and directed to pay the Professional an amount (the "Permitted Monthly

Payment”) equal to the lesser of (i) 80% of the fees and 100% of the expenses requested in the applicable Monthly Fee Application (the “Maximum Monthly Payment”) and (ii) the Maximum Monthly Payment less the portion thereof subject to objection (the “Incremental Amount”) pursuant to subparagraph (c) below.

- c. If any Notice Party wishes to object to a Professional’s Monthly Fee Application, it must (i) file a written objection (an “Objection”) with the Court on or before the Objection Deadline and (ii) serve the Objection on the Professional that filed the Monthly Fee Application and each of the other Notice Parties so it is received by each of these parties on or before the Objection Deadline. Thereafter, the objecting party and the affected Professional may attempt to resolve the Objection on a consensual basis. If the parties are unable to reach a resolution of the Objection, the affected Professional may either (i) file a request with the Court for payment of the fees and expenses that are subject to the Objection or (ii) forego payment of the Incremental Amount until the next interim or final fee application hearing, at which time the Court may consider and dispose of the Objection if requested by the parties.
- d. Each Professional may submit its first Monthly Fee Application no earlier than the 15th day of the second full month of the Debtors’ cases. This initial Monthly Fee Application will cover the period from the Commencement Date through the end of the full month preceding the filing date of the Monthly Fee Application. Accordingly, no Professional should submit a first Monthly Fee Application in these chapter 11 cases prior to November 15, 2011. Thereafter, the Professionals may file Monthly Fee Applications in the manner described above.
- e. At three-month intervals or such other intervals convenient to the Court (the “Interim Fee Period”), each of the Professionals may file with the Court and serve on the Notice Parties a request (an “Interim Fee Application Request”) for interim Court approval and allowance of the payment of compensation and reimbursement of expenses sought by such Professional in its Monthly Fee Applications, including any holdbacks, filed during the Interim Fee Period, pursuant to section 331 of the Bankruptcy Code. The Interim Fee Application Request must include a brief description identifying the following:
  - i. the Monthly Fee Applications that are the subject of the request;
  - ii. the amount of fees and expenses requested;

- iii. the amount of fees and expenses paid to date or subject to an Objection;
- iv. the deadline for parties other than the Notice Parties to file objections (the “Additional Objections”) to the Interim Fee Application Request; and
- v. any other information requested by the Court or required by the Local Rules.

Objections, if any, to the Interim Fee Application Requests shall be filed and served upon the Professional that filed the Interim Fee Application and the other Notice Parties so as to be received on or before the 20th day (or the next business day if such day is not a business day) following service of the applicable Interim Fee Application Request.

- f. The Debtors will request that the Court schedule a hearing on the Interim Fee Application Requests at least once every six months. The Debtors, however, may request that a hearing be held every three months or at such other intervals as the Court deems appropriate. If no Objections are pending and no Additional Objections are timely filed, the Court may grant an Interim Fee Application Request without a hearing.
- g. The first Interim Fee Period will cover the month in which the Commencement Date occurs and the three full months immediately following such month. Thus, as applicable to these chapter 11 cases, the first Interim Fee Period will cover September 7, 2011, through December 31, 2011. Each Professional must file and serve its first Interim Fee Application Request on or before the 45th day following the end of the first Interim Fee Period. Accordingly, the first Interim Fee Application Requests must be filed on or before February 14, 2012.
- h. The pendency of an Objection to payment of compensation or reimbursement of expenses will not disqualify a Professional from the future payment of compensation or reimbursement of expenses under the Interim Compensation Procedures. Any Professional that fails to file a Monthly Fee Application or an Interim Fee Application Request when due or permitted will be ineligible to receive further interim payments of fees or reimbursement of expenses under the Interim Compensation Procedures until such time as a Monthly Fee Application or Interim Fee Application Request is submitted by the Professional. There will be no other penalties for failing to file a Monthly Fee Application or an Interim Fee Application Request in a timely manner.

- i. Neither (i) the payment of or the failure to pay, in whole or in part, interim compensation and/or the reimbursement of or the failure to reimburse, in whole or in part, expenses under the Interim Compensation Procedures nor (ii) the filing of or failure to file an Objection will bind any party in interest or the Court with respect to the final allowance of applications for payment of compensation and reimbursement of expenses of Professionals. All fees and expenses paid to Professionals under the Interim Compensation Procedures are subject to disgorgement until final allowance by the Court; and it is further .

ORDERED that each member of any statutory committee be permitted to submit statements of expenses (excluding third-party attorney or other professional fees or expenses of individual committee members) and supporting vouchers to the respective committee's counsel, which counsel will collect and submit for reimbursement in accordance with the Interim Compensation Procedures; and it is further

ORDERED, that the notice of interim and final fee application requests is limited to (a) the Notice Parties and (b) all parties that have filed a notice of appearance with the Clerk of this Court, pursuant to Bankruptcy Rule 2002 and Local Rule 2016-2, and requested such notice; and it is further

ORDERED that (a) the Notice Parties be entitled to receive the Monthly Fee Applications, any Interim Fee Application Requests, any final fee application requests, and any Hearing Notices, and (b) all other parties entitled to notice shall be entitled to receive only the Hearing Notices, and it is further

ORDERED that the amount of fees and disbursements sought be set out in U.S. dollars; and it is further

ORDERED that the Debtors shall include all payments to Professionals on their monthly operating reports, reflecting the amount paid to each of the Professionals as of the date of such report; and it is further

ORDERED that all time periods set forth in this Order shall be calculated in accordance with Bankruptcy Rule 9006(a); and it is further

ORDERED that this Court shall retain jurisdiction with respect to all matters arising from or relating to the interpretation or implementation of this Order.

Dated: \_\_\_\_\_, 2011  
Wilmington, Delaware

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UNITED STATES BANKRUPTCY JUDGE

NYA 651778.1