

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

-----X
In re: : **Chapter 11**
: :
NEWPAGE CORPORATION, et al., : **Case No. 11-12804 (KG)**
: :
Debtors.¹ : **Jointly Administered**
: :
: **Docket Ref. Nos. 16, 57, 283, 339, 391 & 392**
: :
: **Hearing Date: November 9, 2011 at 3:00 p.m. (ET)**
: :
-----X

**NOTICE OF FILING OF REVISED PROPOSED FORM OF ORDER GRANTING
MOTION OF OFFICIAL COMMITTEE OF UNSECURED CREDITORS PURSUANT
TO LOCAL RULE 9013-1(m)(v) SEEKING RECONSIDERATION OF ORDER
(I) AUTHORIZING DEBTORS TO CONTINUE USING THEIR CASH MANAGEMENT
SYSTEM, INCLUDING MOVEMENT OF FUNDS BETWEEN DEBTOR AND NON-
DEBTOR AFFILIATES, AND MAINTAIN EXISTING BANK ACCOUNTS AND
BUSINESS FORMS, AND (II) WAIVING COMPLIANCE WITH DEPOSIT AND
INVESTMENT REQUIREMENTS OF BANKRUPTCY CODE SECTION 345**

TO: (A) COUNSEL TO THE DEBTORS; (B) THE OFFICE OF THE UNITED STATES TRUSTEE FOR THE DISTRICT OF DELAWARE; (C) COUNSEL TO JPMORGAN CHASE, N. A., AS ADMINISTRATIVE AGENT FOR THE PROPOSED DEBTOR-IN-POSSESSION FINANCING; (D) COUNSEL TO WELLS FARGO CAPITAL FINANCE LLC, AS ADMINISTRATIVE AGENT FOR THE PREPETITION SENIOR SECURED REVOLVER; (E) COUNSEL TO BANK OF NEW YORK MELLON, AS INDENTURE TRUSTEE FOR THE 11.375% SENIOR SECURED FIRST-LIEN NOTES DUE 2014; (F) COUNSEL TO WILMINGTON TRUST, NATIONAL ASSOCIATION, AS SUCCESSOR INDENTURE TRUSTEE FOR THE (I) 10% FIXED RATE SENIOR SECURED SECOND LIEN NOTES DUE 2012, AND (II) FLOATING RATE SENIOR SECURED SECOND LIEN NOTES DUE 2012; (G) 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; (H) COUNSEL TO THE AD HOC STEERING COMMITTEE OF CERTAIN HOLDERS OF 11.375% SENIOR SECURED FIRST LIEN NOTES; AND (I) ALL PARTIES REQUESTING NOTICE PURSUANT TO BANKRUPTCY RULE 2002 AND LOCAL RULE 2002-1(B)

¹ 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).



PLEASE TAKE NOTICE OF THE FOLLOWING:

On September 7, 2011, the above-captioned debtors and debtors in possession (collectively, the “Debtors”) filed a motion (the “Cash Management Motion”) to continue using their cash management system and waiving compliance with the deposit and investment requirements of section 345 of the United States Code (the “Bankruptcy Code”).²

On September 8, 2011, this Court entered an order granting the relief requested in the Cash Management Motion (the “Cash Management Order”).³ Among other things, the Cash Management Order accorded administrative expense status, pursuant to sections 503(b) and 364(b) of the Bankruptcy Code, to claims with respect to postpetition intercompany transfers (the “Intercompany Claims”).

On October 3, 2011, the Official Committee of Unsecured Creditors appointed in the above-referenced chapter 11 cases (the “Committee”) filed a motion to reconsider certain relief granted pursuant to the Initial Cash Management Order (the “Motion to Reconsider”).⁴ Specifically, the Committee requested an amendment to the Cash Management Order providing that any Intercompany Claims be (i) granted superpriority administrative expense status, pursuant to sections 503(b)(1) and 364(c) and (d) of the Bankruptcy Code junior only to the claims granted to the DIP Lenders and payment of the Carve-Out (as defined in the DIP Orders), and (ii) secured by a lien junior in priority only to the DIP Liens granted under the DIP Orders and payment of the Carve-Out. **YOU WERE PREVIOUSLY SERVED WITH A COPY OF THE MOTION TO RECONSIDER.**

The deadline to file objections to the Motion to Reconsider was October 17, 2011 at 4:00 p.m. (ET).⁵ The Committee received the following objections (collectively, the “Objections”) to the relief requested in the Motion:

- (i) the First Lien Noteholders’ objection⁶ asserting that the Intercompany Claims (a) are entitled under these circumstances only to administrative expense status

² *Debtors’ Motion Pursuant to Sections 105(a), 345, 363, 364, and 503(b) of the Bankruptcy Code and Bankruptcy Rules 6003 and 6004, for Order (I) Authorizing Debtors to Continue Using Their Cash Management System, Including the Movement of Funds Between Debtor and Non-Debtor Affiliates, and Maintain Existing Bank Accounts and Business Forms, and (II) Waiving Compliance with the Deposit and Investment Requirements of Section 345(b) of the Bankruptcy Code* [Docket No. 16].

³ *Order (I) Authorizing Debtors to Continue Using Their Cash Management System, Including the Movement of Funds Between Debtor and Non-Debtor Affiliates, and Maintain Existing Bank Accounts and Business Forms, and (II) Waiving Compliance with the Deposit and Investment Requirements of Section 345 of the Bankruptcy Code* [Docket No. 57]. On October 11, 2011, this Court entered an amended Cash Management Order (the “Amended Cash Management Order”) [Docket No. 339], which incorporated comments to the Cash Management Order made by both the Committee and the Administrative Agent (as defined in the Cash Management Motion) after such order was entered.

⁴ *Motion of Official Committee of Unsecured Creditors Pursuant to Local Rule 9013-1(m)(v) Seeking Reconsideration of Order (I) Authorizing Debtors to Continue Using Their Cash Management System, Including the Movement of Funds Between Debtor and Non-Debtor Affiliates, and Maintain Existing Bank Accounts and Business Forms, and (II) Waiving Compliance With the Deposit and Investment Requirements of Section 345 of the Bankruptcy Code* [Docket No. 283].

⁵ The objection deadline was extended as to the Debtors, the First Lien Noteholders, and the Second Lien Noteholders by agreement to October 25, 2011, at 5:00 p.m. (ET).

and (b) should be junior to the priority accorded the (1) prepetition liens and (2) the Adequate Protection Liens and Claims granted to the First Lien Noteholders and the Second Lien Noteholders pursuant to the DIP Orders;

(ii) the Debtors' conditional objection and reservation of rights⁷ (a) objecting solely to the extent the relief sought by the Motion to Reconsider requires new negotiation or litigation over the Adequate Protection Liens and Claims and (b) reserving the right to review and approve of or object to the terms of any consensual resolution regarding the Motion to Reconsider; and

(iii) the Second Lien Noteholders' joinder in the First Lien Noteholders' objection.⁸

In an attempt to resolve the Objections, the Committee has revised the proposed form of order that accompanied the Motion to Reconsider (the "Initial Proposed Order") to provide that Intercompany Claims shall be granted:

- superpriority administrative expense status pursuant to sections 503(b)(1) and 364(c) and (d) of the Bankruptcy Code, junior only to the (1) claims granted to the DIP Lenders and (2) payment of the Carve-Out; and
- liens, junior only to the (a) DIP Liens granted to the Administrative Agent for its benefit and the benefit of the Lenders, (b) superpriority liens granted as adequate protection to the (y) First Lien Notes Collateral Trustee for its benefit and the benefit of the First Lien Noteholders and (z) Second Lien Notes Collateral Trustee for its benefit and the benefit of the Second Lien Noteholders, and (c) payment of the Carve-Out, but senior to all other liens.

Accordingly, the Committee hereby submits a revised proposed form of order (the "Revised Proposed Order"), a copy of which is annexed as Exhibit 1. Please note that the parties have not reached agreement on the Revised Proposed Order.

For the convenience of parties-in-interest and the Bankruptcy Court, annexed as Exhibit 2 is a blackline comparing the Revised Proposed Order with the Initial Proposed Order.

⁶ See *Objection of Ad Hoc First Lien Noteholders to Motion of Official Committee of Unsecured Creditors Seeking Reconsideration of Cash Management Order* [Docket No. 392].

⁷ See *Debtors' Conditional Objection and Reservation of Rights Regarding Motion of Statutory Creditors' Committee Seeking Reconsideration of Order (I) Authorizing Debtors to Continue Using Their Cash Management System, Including the Movement of Funds Between Debtor and Non-Debtor Affiliates, and Maintaining Existing Bank Accounts and Business Forms, and (II) Waiving Compliance with Deposit and Investment Requirements of Section 345 of the Bankruptcy Code* [Docket No. 391].

⁸ *Joinder of Ad Hoc Second Lien Noteholders to the Objection of Ad Hoc First Lien Noteholders to Motion of Official Committee of Unsecured Creditors Seeking Reconsideration of Cash Management Order* [Docket No. 394].

A HEARING TO CONSIDER THE MOTION AND ENTRY OF THE REVISED PROPOSED ORDER WILL BE HELD ON **NOVEMBER 9, 2011 AT 3:00 P.M. (ET)** BEFORE THE HONORABLE KEVIN GROSS AT THE UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE, 824 MARKET STREET, 5TH FLOOR, COURTROOM NO. 3, WILMINGTON, DELAWARE 19801.

Dated: November 6, 2011
Wilmington, Delaware

YOUNG CONAWAY STARGATT & TAYLOR, LLP

/s/ Jaime Luton Chapman

James L. Patton, Jr. (No. 2202)
M. Blake Cleary (No. 3614)
Jaime Luton Chapman (No. 4936)
Andrew L. Magaziner (No. 5426)
The Brandywine Building,
1000 West Street, 17th Floor,
P.O. Box 391
Wilmington, DE 19899-0391
Telephone: 302-571-6600
Fax: 302-571-1253

-and-

PAUL HASTINGS LLP
Luc A. Despins
Robert E. Winter
Aaron M. Klein
Park Avenue Tower
75 East 55th Street, First Floor
New York, New York 10022
Telephone: (212) 318-6000
Facsimile: (212) 319-4090

*Proposed Co-Counsel to the Official Committee of
Unsecured Creditors*

Exhibit 1

Revised Proposed Order

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

In re:

**NEWPAGE CORPORATION, et al.,
Debtors.¹**

Chapter 11

Case No. 11-12804 (KG)

Jointly Administered

Related Docket Nos. 16 & 57

**ORDER GRANTING MOTION OF OFFICIAL COMMITTEE OF UNSECURED
CREDITORS PURSUANT TO LOCAL RULE 9013-1(m)(v) SEEKING
RECONSIDERATION OF ORDER (I) AUTHORIZING DEBTORS TO CONTINUE
USING THEIR CASH MANAGEMENT SYSTEM, INCLUDING THE MOVEMENT OF
FUNDS BETWEEN DEBTOR AND NON-DEBTOR AFFILIATES, AND MAINTAIN
EXISTING BANK ACCOUNTS AND BUSINESS FORMS, AND (II) WAIVING
COMPLIANCE WITH THE DEPOSIT AND INVESTMENT REQUIREMENTS OF
SECTION 345 OF THE BANKRUPTCY CODE**

Upon consideration of the Motion of the Committee pursuant to Rule 9013-1(m)(v) of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the “Local Rules”) seeking reconsideration of this Court’s *Order (I) Authorizing Debtors to Continue Using Their Cash Management System, Including the Movement of Funds Between Debtor and Non-Debtor Affiliates, and Maintain Existing Bank Accounts and Business Forms, and (II) Waiving Compliance with the Deposit and Investment Requirements of Section 345 of the Bankruptcy Code* [Docket No. 57] (the “Original Cash

¹ 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.

Management Order”), as more fully described in the Motion²; and on October 11, 2011, the Court having entered an amended order authorizing the Debtors to continue to use their cash management system and waiving compliance with the deposit and investment requirements of section 345 of the Bankruptcy Code. [Docket No. 339] (the “Amended Cash Management Order”); and in accordance with Local Rule 9013-1(m)(v), the burden of proof with respect to the appropriateness of the Amended Cash Management Order remained with the Debtors notwithstanding the entry of the Amended Cash Management Order; and the Court having jurisdiction to consider the Motion pursuant to 28 U.S.C. §§ 157 and 1334; and consideration of the Motion being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper in this District pursuant to 28 U.S.C. §§ 1408 and 1409; and the Court having determined that the relief requested in the Motion is in the best interests of the creditors and estates of the above-captioned debtors; and upon all of the proceedings had before the Court and after due deliberation and sufficient cause appearing therefor, it is hereby ordered that:

1. The Motion is GRANTED.
2. The tenth Ordered paragraph of the Amended Cash Management Order³ is hereby

modified and replaced in its entirety as follows:

ORDERED that Intercompany Claims are hereby granted
(i) superpriority administrative expense status pursuant to sections 503(b)(1) and 364(c) and (d) of the Bankruptcy Code, junior only to the (1) claims granted to the DIP Secured Parties and
(2) payment of the Carve-Out, and (ii) liens, junior only to the
(a) DIP Liens granted to the Administrative Agent for its benefit and the benefit of the DIP Secured Parties, (b) superpriority liens granted as adequate protection to the (y) First Lien Notes

² Capitalized terms that are used but not defined herein shall have the meanings ascribed to them in the Motion.

³ The tenth Ordered paragraph of the Amended Cash Management Order originally provided that “Intercompany Claims are hereby granted administrative expense status pursuant to sections 503(b)(1) and 364(b) of the Bankruptcy Code.”

Collateral Trustee for its benefit and the benefit of the First Lien Noteholders and (z) Second Lien Notes Collateral Trustee for its benefit and the benefit of the Second Lien Noteholders, and (c) payment of the Carve-Out, but senior to all other liens. “Intercompany Claims” shall mean all intercompany obligations arising after the Commencement Date in the ordinary course of business, including any adequate protection payment made by one Debtor on behalf of or for the benefit of another Debtor. Capitalized terms that are used in this ordered paragraph and not otherwise defined shall have the meanings ascribed to them in the DIP Orders; and it is further

3. The relative priorities of any liens or claims established by this Order shall apply notwithstanding anything to the contrary in the DIP Orders.

4. To the extent an inconsistency exists between this Order and the DIP Orders, the terms of this Order shall govern.

5. This Court shall retain jurisdiction to hear and determine all matters related to and/or arising from the implementation and/or interpretation of this Order.

Dated: Wilmington, Delaware
_____, 2011

KEVIN GROSS
CHIEF UNITED STATES BANKRUPTCY JUDGE

Exhibit 2

Blackline of Revised Proposed Order Against Initial Proposed Order

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

<i>In re:</i>	x	Chapter 11
NEWPAGE CORPORATION, <i>et al.</i>,	:	Case No. 11-12804 (KG)
Debtors.¹	:	Jointly Administered
	:	Related Docket Nos. 16 & 57
	x	

ORDER GRANTING MOTION OF OFFICIAL COMMITTEE OF UNSECURED CREDITORS PURSUANT TO LOCAL RULE 9013-1(m)(v) SEEKING RECONSIDERATION OF ORDER (I) AUTHORIZING DEBTORS TO CONTINUE USING THEIR CASH MANAGEMENT SYSTEM, INCLUDING THE MOVEMENT OF FUNDS BETWEEN DEBTOR AND NON-DEBTOR AFFILIATES, AND MAINTAIN EXISTING BANK ACCOUNTS AND BUSINESS FORMS, AND (II) WAIVING COMPLIANCE WITH THE DEPOSIT AND INVESTMENT REQUIREMENTS OF SECTION 345 OF THE BANKRUPTCY CODE

Upon consideration of the Motion of the Committee pursuant to Rule 9013-1(m)(v) of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the “Local Rules”) seeking reconsideration of this Court’s *Order (I) Authorizing Debtors to Continue Using Their Cash Management System, Including the Movement of Funds Between Debtor and Non-Debtor Affiliates, and Maintain Existing Bank Accounts and Business Forms, and (II) Waiving Compliance with the Deposit and Investment Requirements of Section 345 of the Bankruptcy Code* [Docket No. 57] (the “Original Cash Management Order”),² as more fully described in the Motion²; and on October 11, 2011, the

¹ 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.

² ~~Capitalized terms that are used but not defined herein shall have the meanings ascribed to them in the Motion.~~

² Capitalized terms that are used but not defined herein shall have the meanings ascribed to them in the Motion.

Court having entered an amended order authorizing the Debtors to continue to use their cash management system and waiving compliance with the deposit and investment requirements of section 345 of the Bankruptcy Code. [Docket No. 339] (the “Amended Cash Management Order”); and in accordance with Local Rule 9013-1(m)(v), the burden of proof with respect to the appropriateness of the Amended Cash Management Order remained with the Debtors notwithstanding the entry of the Amended Cash Management Order; and the Court having jurisdiction to consider the Motion pursuant to 28 U.S.C. §§ 157 and 1334; and consideration of the Motion being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper in this District pursuant to 28 U.S.C. §§ 1408 and 1409; and the Court having determined that the relief requested in the Motion is in the best interests of the creditors and estates of the above-captioned debtors; and upon all of the proceedings had before the Court and after due deliberation and sufficient cause appearing therefor, it is hereby ordered that:

1. The Motion is GRANTED.
2. The tenth Ordered paragraph ~~number seven~~ of the Amended Cash Management

Order³ is hereby modified and replaced in its entirety as follows:

ORDERED that Intercompany Claims are hereby granted (i) superpriority administrative expense status pursuant to sections 503(b)(1) and 364(c) and (d) of the Bankruptcy Code, ~~and shall be secured by a lien with priority over any and all adequate protection liens granted to the First Lien Notes Collateral Trustee, the First Lien Noteholders, the Second Lien Notes Collateral Trustee, and the Second Lien Noteholders (collectively, the “Adequate Protection Claims and Liens”)~~, but junior to the ~~DIP Liens (as that term is defined in the DIP Orders)~~ junior only to the (1) claims granted to the DIP Secured Parties and (2) payment of the Carve-Out, and (ii) liens, junior only to the (a) DIP Liens granted to the Administrative Agent for its benefit and the benefit of the DIP Secured Parties, (b) superpriority liens granted as adequate protection to the (y) First Lien Notes Collateral Trustee for its

³ The tenth Ordered paragraph ~~number seven~~ of the Amended Cash Management Order originally provided that “Intercompany Claims are hereby granted administrative expense status pursuant to sections 503(b)(1) and 364(b) of the Bankruptcy Code.”

benefit and the benefit of the First Lien Noteholders and (z) Second Lien Notes Collateral Trustee for its benefit and the benefit of the Second Lien Noteholders, and (c) payment of the Carve-Out, but senior to all other liens. "Intercompany Claims" shall mean all intercompany obligations arising after the Commencement Date in the ordinary course of business, including any adequate protection payment made by one Debtor on behalf of or for the benefit of another Debtor. Capitalized terms that are used in this ordered paragraph and not otherwise defined shall have the meanings ascribed to them in the DIP Orders; and it is further

3. The relative priorities of any liens or claims established by this Order shall apply notwithstanding anything to the contrary in the DIP Orders.

4. To the extent an inconsistency exists between this Order and the DIP Orders, the terms of this Order shall govern.

5. This Court shall retain jurisdiction to hear and determine all matters related to and/or arising from the implementation and/or interpretation of this Order.

Dated: Wilmington, Delaware
_____, 2011

KEVIN GROSS
CHIEF UNITED STATES BANKRUPTCY

JUDGE