

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
CORPUS CHRISTI DIVISION**

In re:	§	Case No. 05-21207
	§	
ASARCO LLC, et al.,	§	Chapter 11
	§	
Debtors.	§	Jointly Administered
	§	

**COVER SHEET TO TWELFTH INTERIM FEE APPLICATION OF
BAKER BOTTS L.L.P.**

Name of Applicant:	Baker Botts L.L.P.
Authorized to provide professional service to:	Chapter 11 Debtors
Date Order of appointment signed:	August 12, 2005
Date Rule 2016(b) statement filed:	August 10, 2005
Application period for which compensation and reimbursement is sought:	March 1, 2009 through June 30, 2009
Total professional service fees requested in this application, after voluntary reduction:	\$12,481,058.25
Total professional hours requested in this application:	31,765.8
Total voluntary professional fee reductions:	\$119,908.25
Professional rates:	High: \$800.00 Low: \$265.00
Paraprofessional / Staff rates:	High: \$325.00 Low: \$75.00
Blended hourly rate:	\$392.91
Total reimbursable expenses sought in this application:	\$494,560.05

Total voluntary expense reductions:	\$0.00
Retainer amount:	\$0.00
Indicate whether this is an application for pre or post confirmation services:	Preconfirmation Services
Prior applications, dates, amounts:	<p>First Interim Application of Baker Botts L.L.P., Counsel to Debtor, for Allowance and Payment of Compensation for Services Rendered and Reimbursement of Expenses Incurred for the Period August 9, 2005 through October 31, 2005, filed 11/18/05, Docket No. 955</p> <p>Order Granting First Interim Application of Baker Botts LLP, Counsel to Debtor, For Allowance and Payment of Compensation for Services Rendered (\$2,057,962.00) and Reimbursement of Expenses Incurred (\$94,042,10) for the Period August 9, 2005 Through October 31, 2005, filed 12/ 15/205, Docket No. 1239</p> <p>Second Interim Application of Baker Botts L.L.P., Counsel to Debtor, for Allowance and Payment of Compensation for Services Rendered and Reimbursement of Expenses Incurred for the Period November 1, 2005 through February 28, 2006, filed 4/14/06, Docket No. 1998</p> <p>Order Granting Second Interim Application of Baker Botts L.L.P., Counsel to Debtor, for Allowance and Payment of Compensation for Services Rendered (\$2,414,431.75) and Reimbursement of Expenses Incurred (\$138,644.91) for the Period November 1, 2005 through February 28, 2006, filed 5/9/06, Docket No. 2142</p> <p>Third Interim Application of Baker Botts L.L.P., Counsel to Debtor, for Allowance and Payment of Compensation for Services Rendered and Reimbursement of Expenses Incurred for the Period March 1, 2006 through June 30, 2006, filed 8/14/06, Docket No. 2747</p>

Order Granting Third Interim Application of Baker Botts L.L.P., Counsel to Debtor, for Allowance and Payment of Compensation for Services Rendered (\$2,965,096.00) and Reimbursement of Expenses Incurred (\$110,602.95) for the Period March 1, 2006 through June 30, 2006, filed 9/7/06, Docket No. 2922

Fourth Interim Application of Baker Botts L.L.P., Counsel to Debtor, for Allowance and Payment of Compensation for Services Rendered and Reimbursement of Expenses Incurred for the Period July 1, 2006 through October 31, 2006, filed December 5, 2006, Docket No. 3386

Order Granting Fourth Interim Application of Baker Botts L.L.P., Counsel to Debtor, for Allowance and Payment of Compensation for Services Rendered (\$4,245,960.75) and Reimbursement of Expenses (\$230,852.53) Incurred for the Period July 1, 2006 through October 31, 2006, filed December 29, 2006, Docket No. 3516

Fifth Interim Application of Baker Botts L.L.P., Counsel to Debtor, for Allowance and Payment of Compensation for Services Rendered and Reimbursement of Expenses Incurred for the Period November 1, 2007 through February 28, 2007, filed April 13, 2007, Docket No. 4450

Order Granting Fifth Interim Application of Baker Botts L.L.P., Counsel to Debtor, for Allowance and Payment of Compensation for Services Rendered (\$6,532,097.25) and Reimbursement of Expenses (\$263,860.63) Incurred for the Period November 1, 2007 through February 28, 2007, filed May 8, 2007, Docket No. 4662

	<p>Sixth Interim Application of Baker Botts L.L.P., Counsel to Debtor, for Allowance and Payment of Compensation for Services Rendered and Reimbursement of Expenses Incurred for the Period March 1, 2007 through June 30, 2007, filed August 14, 2007, Docket No. 5541</p> <p>Order Granting Sixth Interim Application of Baker Botts L.L.P., Counsel to Debtor, for Allowance and Payment of Compensation for Services Rendered (\$9,924,783.75) and Reimbursement of Expenses (\$438,269.61) Incurred for the Period March 1, 2007 through June 30, 2007, filed September 7, 2007, Docket No. 5731</p> <p>Seventh Interim Application of Baker Botts L.L.P., Counsel to Debtors, for Allowance and Payment of Compensation for Services Rendered and Reimbursement of Expenses Incurred for the Period July 1, 2007 through October 31, 2007, filed November 21, 2007, Docket No. 6334</p> <p>Order Granting Seventh Interim Application of Baker Botts L.L.P., Counsel to Debtors, for Allowance and Payment of Compensation for Services Rendered and Reimbursement of Expenses Incurred for the Period July 1, 2007 Through October 31, 2007, filed December 14, 2007, Docket No. 6541</p> <p>Eighth Interim Application of Baker Botts L.L.P., Counsel to Debtors, for Allowance and Payment of Compensation for Services Rendered and Reimbursement of Expenses Incurred for the Period November 1, 2007 through February 29, 2008, filed April 15, 2008, Docket No. 7420</p> <p>Order Granting Eighth Interim Application of Baker Botts L.L.P., Counsel to Debtors, for Allowance and Payment of Compensation for</p>
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	<p>Services Rendered and Reimbursement of Expenses Incurred for the Period November 1, 2007 through February 29, 2008, filed May 9, 2008, Docket No. 7648</p> <p>Ninth Interim Application of Baker Botts L.L.P., Counsel to Debtors, for Allowance and Payment of Compensation for Services Rendered and Reimbursement of Expenses Incurred for the Period March 1, 2008 through June 30, 2008, filed August 20, 2008, Docket No. 8792</p> <p>Order Granting Ninth Interim Application of Baker Botts L.L.P., Counsel to Debtors, for Allowance and Payment of Compensation for Services Rendered and Reimbursement of Expenses Incurred for the Period March 1, 2008 through June 30, 2008, filed September 15, 2008, Docket No. 9131</p> <p>Tenth Interim Application of Baker Botts L.L.P., Counsel to Debtors, for Allowance and Payment of Compensation for Services Rendered and Reimbursement of Expenses Incurred for the Period July 1, 2008 through October 31, 2008, filed November 21, 2008, Docket No. 10037</p> <p>Order Granting Tenth Interim Application of Baker Botts L.L.P., Counsel to Debtors, for Allowance and Payment of Compensation for Services Rendered and Reimbursement of Expenses Incurred for the Period July 1, 2008 through October 31, 2008, filed December 19, 2008, Docket No. 10165</p> <p>Eleventh Interim Application of Baker Botts L.L.P., Counsel to Debtors, for Allowance and Payment of Compensation for Services Rendered and Reimbursement of Expenses Incurred for the Period November 1, 2008 through February 28, 2009, filed April 14, 2009, Docket No. 10830</p>
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	Order Granting Eleventh Interim Application of Baker Botts L.L.P., Counsel to Debtors, for Allowance and Payment of Compensation for Services Rendered and Reimbursement of Expenses Incurred for the Period November 1, 2008 through February 28, 2009, filed May 8, 2009, Docket No. 11189
This is an interim/final application:	Interim

/s/ James R. Prince
James R. Prince

August 28, 2009

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
CORPUS CHRISTI DIVISION**

In re:	§	Case No. 05-21207
	§	
ASARCO LLC, et al.,	§	Chapter 11
	§	
Debtors.	§	Jointly Administered
	§	

**INDEX TO
TWELFTH INTERIM APPLICATION OF BAKER BOTTS L.L.P.,
COUNSEL TO DEBTORS, FOR ALLOWANCE AND PAYMENT OF COMPENSATION
FOR SERVICES RENDERED AND REIMBURSEMENT OF EXPENSES INCURRED
FOR THE PERIOD MARCH 1, 2009 THROUGH JUNE 30, 2009**

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Appendix 1: Applications, Affidavits in Support and Order Granting

- Exhibit A: ASARCO LLC’s Application for an Order Pursuant to 11 U.S.C. § 327(a) Seeking Authorization for the Employment and Retention of Baker Botts L.L.P. as Debtor’s Counsel
- Exhibit B: Affidavit of Jack L. Kinzie and Disclosure of Compensation Pursuant to Fed. R. Bankr. P. 2016(b) and 11 U.S.C. § 329 in Support of Application for an Order Pursuant to 11 U.S.C. § 327(a) Seeking Authorization for the Employment and Retention of Baker Botts L.L.P. as Debtor’s Counsel

- Exhibit C: Interim Order Granting ASARCO LLC's Application for an Order Pursuant to 11 U.S.C. § 327(a) Seeking Authorization for the Employment and Retention of Baker Botts L.L.P. as Debtor's Counsel
- Exhibit D: Joint Application for an Order Pursuant to 11 U.S.C. § 327(a) and Local Rule 2014(b) Authorizing the Nunc Pro Tunc Employment and Retention of Baker Botts L.L.P. as Subsidiary Debtors' Counsel
- Exhibit E: Affidavit of Jack L. Kinzie and Disclosure of Compensation Pursuant to Fed. R. Bankr. P. 2016(b) and 11 U.S.C. § 329 in Support of Joint Application for an Order Pursuant to 11 U.S.C. § 327(a) and Local Rule 2014(b) Authorizing the Nunc Pro Tunc Employment and Retention of Baker Botts L.L.P. as Subsidiary Debtors' Counsel
- Exhibit F: Order Granting Subsidiary Debtors' Application for an Order Pursuant to 11 U.S.C. § 327(a) and Local Rule 2014(b) Authorizing the Nunc Pro Tunc Employment and Retention of Baker Botts L.L.P. as Subsidiary Debtors' Counsel
- Exhibit G: Joint Application for an Order Pursuant to 11 U.S.C. Sections 327(a) and 328 Expanding the Retention of Baker Botts L.L.P. as Counsel to the Recently Filed Subsidiary Debtors
- Exhibit H: Ninth Supplemental Affidavit of Jack L. Kinzie in Support of (I) the Expanded Retention of Baker Botts L.L.P. as Counsel to the Recently Filed Subsidiary Debtors and (II) the Continued Retention of Baker Botts L.L.P. as Counsel to ASARCO LLC and previously Filed Subsidiary Debtors (Docket Nos. 20, 1727)
- Exhibit I: Order Granting Application for an Order Pursuant to 11 U.S.C. §§ 327(a) and 328 Expanding the Retention of Baker Botts L.L.P. as Counsel to the Recently Filed Subsidiary Debtors
- Exhibit J: Supplemental Affidavit of Jack L. Kinzie in Support ASARCO LLC's Application for an Order Pursuant to 11 U.S.C. § 327(a) Seeking Authorization for the Employment and Retention of Baker Botts L.L.P. as Debtor's Counsel
- Exhibit K: Second Supplemental Affidavit of Jack L. Kinzie in Support ASARCO LLC's Application for an Order Pursuant to 11 U.S.C. § 327(a) Seeking Authorization for the Employment and Retention of Baker Botts L.L.P. as Debtor's Counsel

- Exhibit L: Third Supplemental Affidavit of Jack L. Kinzie in Support ASARCO LLC's Application for an Order Pursuant to 11 U.S.C. § 327(a) Seeking Authorization for the Employment and Retention of Baker Botts L.L.P. as Debtor's Counsel
- Exhibit M: Fourth in Support ASARCO LLC's Application for an Order Pursuant to 11 U.S.C. § 327(a) Seeking Authorization for the Employment and Retention of Baker Botts L.L.P. as Debtor's Counsel
- Exhibit N: Fifth Supplemental Affidavit of Jack L. Kinzie in Support ASARCO LLC's Application for an Order Pursuant to 11 U.S.C. § 327(a) Seeking Authorization for the Employment and Retention of Baker Botts L.L.P. as Debtor's Counsel
- Exhibit O: Sixth Supplemental Affidavit of Jack L. Kinzie in Support ASARCO LLC's Application for an Order Pursuant to 11 U.S.C. § 327(a) Seeking Authorization for the Employment and Retention of Baker Botts L.L.P. as Debtor's Counsel
- Exhibit P: Seventh Supplemental Affidavit of Jack L. Kinzie in Support of (1) ASARCO LLC's Application for an Order Pursuant to 11 U.S.C. Section 327(a) Seeking Authorization for the Employment and Retention of Baker Botts L.L.P. as Debtor's Counsel and (2) Joint Application for an Order Pursuant to 11 U.S.C. Section 327(a) and Local Rule 2014(b) Authorizing the Nunc Pro Tunc Employment and Retention of Baker Botts L.L.P. as Subsidiary Debtors' Counsel
- Exhibit Q: Eighth Supplemental Affidavit of Jack L. Kinzie in Support of ASARCO LLC's Application for an Order Pursuant to 11 U.S.C. Section 327(a) Seeking Authorization for the Employment and Retention of Baker Botts L.L.P. as Debtor's Counsel
- Exhibit R: Tenth Supplemental Affidavit of Jack L. Kinzie in Support of the Retention of Baker Botts L.L.P. as Counsel to ASARCO LLC and Certain of Its Subsidiary Debtors (Docket Nos. 20, 1727, 3680)
- Exhibit S: Eleventh Supplemental Affidavit of Jack L. Kinzie in Support of the Retention of Baker Botts L.L.P. as Counsel to ASARCO LLC and Certain of Its Subsidiary Debtors (Docket Nos. 20, 1727, 3680, 4461, 4477)
- Exhibit T: Twelfth Supplemental Affidavit of Jack L. Kinzie in Support of the Retention of Baker Botts L.L.P. as Counsel to ASARCO LLC and Certain of Its Subsidiary Debtors

- Exhibit U: Thirteenth Supplemental Affidavit of Jack L. Kinzie in Support of the Retention of Baker Botts L.L.P. as Counsel to ASARCO LLC and Certain of its Subsidiary Debtors
- Exhibit V: Fourteenth Supplemental Affidavit of Jack L. Kinzie in Support of the Retention of Baker Botts L.L.P. as Counsel to ASARCO LLC and Certain of its Subsidiary Debtors
- Exhibit W: Fifteenth Supplemental Affidavit of Jack L. Kinzie in Support of the Retention of Baker Botts L.L.P. as Counsel to ASARCO LLC and Certain of its Subsidiary Debtors to Effect Disclosure for Lateral Candidate Pursuant to this Court's Order
- Exhibit X: Sixteenth Supplemental Affidavit of Jack L. Kinzie in Support of (I) the Expanded Retention of Baker Botts L.L.P. as Counsel to the Newly Filed Subsidiary Debtors and (II) the Continued Retention of Baker Botts L.L.P. as Counsel to ASARCO LLC and Previously Filed Subsidiary Debtors, Including Disclosure for Lateral Candidate
- Exhibit Y: Seventeenth Supplemental Affidavit of Jack L. Kinzie in Support of the Retention of Baker Botts L.L.P. as Counsel to ASARCO LLC and Certain of its Subsidiary Debtors to Effect Disclosure for Lateral Candidate Pursuant to this Court's Order
- Exhibit Z: Eighteenth Supplemental Affidavit of Jack L. Kinzie in Support of the Retention of Baker Botts L.L.P. as Counsel to ASARCO LLC and Certain of its Subsidiary Debtors

Appendix 2: Summaries of Invoices of Baker Botts L.L.P.

Schedule 1: Summary of Professional and Paraprofessional Time
Total Per Individual

Schedule 2: Summary of Professional and Paraprofessional Time
by Task Code Category

Task Code #101 Exhibit A	Case Administration
Task Code #102 Exhibit B	Asset Disposition
Task Code #104 Exhibit C	Fee/Employment Applications
Task Code #105 Exhibit D	Assumption/Rejection Lease/Contract
Task Code #106 Exhibit E	Business Operations
Task Code #107 Exhibit F	Labor Issues/Employee Benefits/Pension
Task Code #108 Exhibit G	Tax Issues
Task Code #109 Exhibit H	Plan and Disclosure Statement
Task Code #110 Exhibit I	Asset Analysis
Task Code #111 Exhibit J	Financing/Cash Collateral
Task Code #112 Exhibit K	Creditor/Vendor Issues
Task Code #113 Exhibit L	Environmental Issues
Task Code #114 Exhibit M	General Corporate
Task Code #115 Exhibit N	Litigation and Litigation Analysis

Task Code #116 Exhibit O	Meetings of Committees
Task Code #117 Exhibit P	Claims Analysis and Objection
Task Code #118 Exhibit Q	Real Estate Issues
Task Code #119 Exhibit R	Schedules and Statement of Financial Affairs
Task Code #122 Exhibit S	Non-Working Travel Time
Task Code #123 Exhibit T	Miscellaneous Hearing Preparation and Attendance
Task Code #124 Exhibit U	Chapter 11 Strategy and Planning
Task Code #130 Exhibit V	AMC Litigation
Task Code #131 Exhibit W	Montana Resources
Task Code #132 Exhibit X	Rosemont
Task Code #134 Exhibit Y	Sacaton

Schedule 3: Disbursement Summary for the Period March 1, 2009 through June 30, 2009

Appendix 3: Detailed Invoices of Baker Botts L.L.P.

Exhibit A	Case Administration
Exhibit B	Asset Disposition
Exhibit C	Fee/Employment Applications
Exhibit D	Assumption/Rejection Lease/Contract
Exhibit E	Business Operations
Exhibit F	Labor Issues/Employee Benefits/Pension
Exhibit G	Tax Issues
Exhibit H	Plan and Disclosure Statement
Exhibit I	Asset Analysis
Exhibit J	Financing/Cash Collateral
Exhibit K	Creditor/Vendor Issues
Exhibit L	Environmental Issues
Exhibit M	General Corporate
Exhibit N	Litigation and Litigation Analysis
Exhibit O	Meetings of Committees
Exhibit P	Claims Analysis and Objection
Exhibit Q	Real Estate Issues
Exhibit R	Schedules and Statement of Financial Affairs
Exhibit S	Non-Working Travel Time
Exhibit T	Miscellaneous Hearing Preparation and Attendance
Exhibit U	Chapter 11 Strategy and Planning
Exhibit V	AMC Litigation
Exhibit W	Montana Resources
Exhibit X	Rosemont
Exhibit Y	Sacaton

Appendix 4: Monthly Statements of Baker Botts L.L.P.

Exhibit A Notice of Monthly Statement of Baker Botts L.L.P. Counsel to Debtor, Pursuant to Administrative Order Establishing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals Representing ASARCO, LLC for the Period March 1 through 31, 2009.

Exhibit B Notice of Monthly Statement of Baker Botts L.L.P. Counsel to Debtor, Pursuant to Administrative Order Establishing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals Representing ASARCO, LLC for the Period April 1 through 30, 2009.

Exhibit C Notice of Monthly Statement of Baker Botts L.L.P. Counsel to Debtor, Pursuant to Administrative Order Establishing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals Representing ASARCO, LLC for the Period May 1 through 31, 2009.

Exhibit D Notice of Monthly Statement of Baker Botts L.L.P. Counsel to Debtor, Pursuant to Administrative Order Establishing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals Representing ASARCO, LLC for the Period June 1 through 30, 2009.

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
CORPUS CHRISTI DIVISION**

In re:	§	Case No. 05-21207
	§	
ASARCO LLC, et al.,	§	Chapter 11
	§	
Debtors.	§	Jointly Administered
	§	

**TWELFTH INTERIM APPLICATION OF BAKER BOTTS L.L.P.,
COUNSEL TO DEBTORS, FOR ALLOWANCE AND PAYMENT OF COMPENSATION
FOR SERVICES RENDERED AND REIMBURSEMENT OF EXPENSES INCURRED
FOR THE PERIOD MARCH 1, 2009 THROUGH JUNE 30, 2009**

THIS MOTION SEEKS AN ORDER THAT MAY ADVERSELY AFFECT YOU. IF YOU OPPOSE THE MOTION, YOU SHOULD IMMEDIATELY CONTACT THE MOVING PARTY TO RESOLVE THE DISPUTE. IF YOU AND THE MOVING PARTY CANNOT AGREE, YOU MUST FILE A RESPONSE AND SEND A COPY TO THE MOVING PARTY. YOU MUST FILE AND SERVE YOUR RESPONSE WITHIN 20 DAYS OF THE DATE THIS WAS SERVED ON YOU. YOUR RESPONSE MUST STATE WHY THE MOTION SHOULD NOT BE GRANTED. IF YOU DO NOT FILE A TIMELY RESPONSE, THE RELIEF MAY BE GRANTED WITHOUT FURTHER NOTICE TO YOU. IF YOU OPPOSE THE MOTION AND HAVE NOT REACHED AN AGREEMENT, YOU MUST ATTEND THE HEARING. UNLESS THE PARTIES AGREE OTHERWISE, THE COURT MAY CONSIDER EVIDENCE AT THE HEARING AND MAY DECIDE THE MOTION AT THE HEARING.

REPRESENTED PARTIES SHOULD ACT THROUGH THEIR ATTORNEY.

In accordance with the Southern District of Texas Local Rule 2016 regarding Compensation and Reimbursement of Expenses of Professionals effective October 17, 2005 and the Administrative Order Granting [Doc #855] Pursuant to Sections 105(a) and 331 of the Bankruptcy Code Establishing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals (the "Administrative Order"), Baker Botts L.L.P. (the "Applicant" or "Baker Botts"), counsel for ASARCO LLC, et al. ("ASARCO" or the "Debtors," as further defined below), hereby files this Twelfth Interim Application (the "Application") of Baker Botts L.L.P., Counsel to Debtors, for Allowance and Payment of Compensation for Services Rendered

and Reimbursement of Expenses Incurred for the Period March 1, 2009 through June 30, 2009 (the “Application Period”) and represents:

SUMMARY OF RELIEF REQUESTED

This Application requests approval of fees in the amount of \$12,481,058.25 and expenses in the amount of \$494,560.05. Of these amounts, 80% of the fees, and 100% of the expenses for the Application Period have been paid pursuant to the Court’s Administrative Order. As of the date of the filing of this Application, the total outstanding unpaid balance due the Applicants is \$2,496,211.65. Applicant requests that the Court grant Applicant’s Application, approve the fees and expenses reflected herein, and authorize ASARCO to pay the 20% withheld amount of fees allowed and approved, plus any and all other amounts that have not otherwise been paid under the Administrative Order on the date this Application is approved by the Court.

JURISDICTION

1. This Court has jurisdiction over this request pursuant to 28 U.S.C. §§ 157 and 1334. Venue of this proceeding is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409. The statutory predicate for the relief sought herein is 11 U.S.C. §§ 330 and 331 and Federal Rule of Bankruptcy Procedure 2016(a).

BACKGROUND

2. On April 11, 2005, five of ASARCO’s wholly owned direct or indirect subsidiaries¹ filed their voluntary petitions in this Court. On August 9, 2005 (the “Petition Date”), ASARCO filed its voluntary petition for relief under chapter 11 of title 11 of the United

¹ These subsidiaries consist of the following five entities: Lac d’Amiante du Québec Ltée (f/k/a Lake Asbestos of Quebec, Ltd.); Lake Asbestos of Quebec, Ltd.; LAQ Canada, Ltd.; CAPCO Pipe Company, Inc. (f/k/a Cement Asbestos Products Company); and Cement Asbestos Products Company.

States Code (the “Bankruptcy Code”) in this Court. Since then, additional ASARCO subsidiaries have filed voluntary petitions in this Court.² These bankruptcy cases are collectively referred to as the “Reorganization Cases.” ASARCO together with the Subsidiary Debtors, as defined in footnote two, *infra*, will be referred to as the “Debtors.”

3. These cases are jointly administered pursuant to Orders of this Court, except for the case of Encycle/Texas, Inc., which converted to a chapter 7 proceeding on October 24, 2005 and is being administered under Case No. 05-21304.

4. The Debtors remain in possession of their property and are operating as debtors in possession, pursuant to sections 1107 and 1108 of the Bankruptcy Code.

RETENTION OF BAKER BOTTS AND PRIOR COMPENSATION

5. On August 10, 2005, Docket No. 20, Applicant submitted ASARCO LLC’s Application for an Order Pursuant to 11 U.S.C. § 327(a) Seeking Authorization for the Employment and Retention of Baker Botts L.L.P. as Debtor’s Counsel (the “Employment Application”), attached as Appendix 1, Exhibit A.

6. On August 10, 2005, Docket No. 20, Applicant filed the Affidavit of Jack L. Kinzie and Disclosure of Compensation Pursuant to Fed. R. Bankr. P. 2016(b) and 11 U.S.C. § 329 in Support of Application for an Order Pursuant to 11 U.S.C. § 327(a) Seeking

² Encycle, Inc. and Encycle/Texas, Inc. filed on August 26, 2005. ASARCO Consulting, Inc. filed on September 1, 2005. The following entities filed on October 13, 2005: ALC, Inc.; American Smelting and Refining Company; AR Mexican Explorations Inc.; AR Sacaton, LLC, an Arizona limited liability company; Asarco Master, Inc.; Asarco Oil and Gas Company, Inc.; Bridgeview Management Company, Inc.; Covington Land Company; Government Gulch Mining Company, Limited; and Salero Ranch, Unit III, Community Association, Inc. The following entities filed on December 12, 2006: Southern Peru Holdings, LLC; AR Sacaton, LLC, a Delaware limited liability company; and ASARCO Exploration Company, Inc. The most recent filing of April 21, 2008 included the following entities: Wyoming Mining and Milling Company, Alta Mining and Development Company, Tulipan Company, Inc., Blackhawk Mining and Development Company, Limited, Peru Mining Exploration and Development Company, Green Hill Cleveland Mining Company. The subsidiaries listed in this footnote, except for Encycle/Texas, Inc., will be referred as the “Subsidiary Debtors.” The definition of Subsidiary Debtors does not include the subsidiaries listed in footnote one, *supra*.

Authorization for the Employment and Retention of Baker Botts L.L.P. as Debtor's Counsel ("Applicant's Affidavit"), attached as Appendix 1, Exhibit B.

7. By Interim Order dated August 12, 2005, Docket No. 57, this Court approved the interim retention of Applicant as counsel for the Debtor (the "Interim Order"), copy attached as Appendix 1, Exhibit C. Pursuant to the Interim Order, the Interim Order "will be final only if no party files an objection within 30 days" No objection to the Employment Application or the Interim Order was filed.

8. On February 20, 2006, Docket No. 1727, Applicant submitted a Joint Application for an Order Pursuant to 11 U.S.C. § 327(a) and Local Rule 2014(b) Authorizing the Nunc Pro Tunc Employment and Retention of Baker Botts L.L.P. as Subsidiary Debtors' Counsel, attached as Appendix 1, Exhibit D.

9. On February 20, 2006, Docket No. 1727, Applicant filed the Affidavit of Jack L. Kinzie and Disclosure of Compensation Pursuant to Fed. R. Bankr. P. 2016(b) and 11 U.S.C. § 329 in Support of Joint Application for an Order Pursuant to 11 U.S.C. § 327(a) and Local Rule 2014(b) Authorizing the Nunc Pro Tunc Employment and Retention of Baker Botts L.L.P. as Subsidiary Debtors' Counsel, attached as Appendix 1, Exhibit E.

10. By Order dated March 20, 2006, Docket No. 1852, this Court approved the retention of Applicant as counsel for the Subsidiary Debtors, copy attached as Appendix 1, Exhibit F.

11. On January 31, 2007, Docket No. 3680, Applicant submitted its Joint Application for an Order Pursuant to 11 U.S.C. §§ 327(a) and 328 Expanding the Retention of Baker Botts L.L.P. as Counsel to the Recently Filed Subsidiary Debtors, attached as Appendix 1, Exhibit G.

12. On January 31, 2007, Docket No. 3680, Applicant filed the Ninth Supplemental Affidavit of Jack L. Kinzie in Support of (I) the Expanded Retention of Baker Botts L.L.P. as Counsel to the Recently Filed Subsidiary Debtors and (II) the Continued Retention of Baker Botts L.L.P. as Counsel to ASARCO LLC and Previously Filed Subsidiary Debtors (Docket Nos. 20, 1727), attached as Appendix 1, Exhibit H.

13. By Order dated February 23, 2007, Docket No. 3931, this Court approved the expanded retention of Applicant as counsel for the Recently Filed Subsidiary Debtors, copy attached as Appendix 1, Exhibit I.

14. The following supplemental affidavits of Jack L. Kinzie have been filed in support of ASARCO LLC's application for authorization for the employment and retention of Baker Botts L.L.P. as Debtor's counsel:

<u>Supplemental Affidavit</u>	<u>Date Filed</u>	<u>Docket Number</u>	<u>Exhibit Number</u>
Supplemental Affidavit of Jack L. Kinzie in Support ASARCO LLC's Application for an Order Pursuant to 11 U.S.C. § 327(a) Seeking Authorization for the Employment and Retention of Baker Botts L.L.P. as Debtor's Counsel	8/29/05	221	Appendix 1, Exhibit J
Second Supplemental Affidavit of Jack L. Kinzie in Support ASARCO LLC's Application for an Order Pursuant to 11 U.S.C. § 327(a) Seeking Authorization for the Employment and Retention of Baker Botts L.L.P. as Debtor's Counsel	9/8/05	295	Appendix 1, Exhibit K
Third Supplemental Affidavit of Jack L. Kinzie in Support ASARCO LLC's Application for an Order Pursuant to 11 U.S.C. § 327(a) Seeking Authorization for the Employment and Retention of Baker Botts L.L.P. as Debtor's Counsel	9/16/05	387	Appendix 1, Exhibit L
Fourth Supplemental Affidavit of Jack L. Kinzie in Support ASARCO LLC's	10/7/05	565	Appendix 1,

Application for an Order Pursuant to 11 U.S.C. § 327(a) Seeking Authorization for the Employment and Retention of Baker Botts L.L.P. as Debtor's Counsel			Exhibit M
Fifth Supplemental Affidavit of Jack L. Kinzie in Support ASARCO LLC's Application for an Order Pursuant to 11 U.S.C. § 327(a) Seeking Authorization for the Employment and Retention of Baker Botts L.L.P. as Debtor's Counsel	11/18/05	953	Appendix 1, Exhibit N
Sixth Supplemental Affidavit of Jack L. Kinzie in Support of ASARCO LLC's Application for an Order Pursuant to 11 U.S.C. Section 327(a) Seeking Authorizing for the Employment and Retention of Baker Botts L.L.P. as Debtor's Counsel	2/17/06	1723	Appendix 1, Exhibit O
Seventh Supplemental Affidavit of Jack L. Kinzie in Support of (1) ASARCO LLC's Application for an Order Pursuant to 11 U.S.C. Section 327(a) Seeking Authorization for the Employment and Retention of Baker Botts L.L.P. as Debtor's Counsel and (2) Joint Application for an Order Pursuant to 11 U.S.C. Section 327(a) and Local Rule 2014(b) Authorizing the Nunc Pro Tunc Employment and Retention of Baker Botts L.L.P. as Subsidiary Debtors' Counsel	9/20/06	3073	Appendix 1, Exhibit P
Eighth Supplemental Affidavit of Jack L. Kinzie in Support of ASARCO LLC's Application for an Order Pursuant to 11 U.S.C. Section 327(a) Seeking Authorization for: the Employment and Retention of Baker Botts L.L.P. as Debtors' Counsel	11/17/06	3310	Appendix 1, Exhibit Q
Tenth Supplemental Affidavit of Jack L. Kinzie in Support of the Retention of Baker Botts L.L.P. as Counsel to ASARCO LLC and Certain of Its Subsidiary Debtors (Docket Nos. 20, 1727, 3680)	4/11/07	4428	Appendix 1, Exhibit R
Eleventh Supplemental Affidavit of Jack L. Kinzie in Support of the Retention of Baker Botts L.L.P. as Counsel to ASARCO LLC and Certain of Its Subsidiary Debtors (Docket Nos. 20, 1727, 3680, 4461, 4477)	4/17/07	4478	Appendix 1, Exhibit S

Twelfth Supplemental Affidavit of Jack L. Kinzie in Support of the Retention of Baker Botts L.L.P. as Counsel to ASARCO LLC and Certain of Its Subsidiary Debtors	5/8/07	4668	Appendix 1, Exhibit T
Thirteenth Supplemental Affidavit of Jack L. Kinzie in Support of the Retention of Baker Botts L.L.P. as Counsel to ASARCO LLC and Certain of Its Subsidiary Debtors	7/6/07	5140	Appendix 1, Exhibit U
Fourteenth Supplemental Affidavit of Jack L. Kinzie in Support of the Retention of Baker Botts L.L.P. as Counsel to ASARCO LLC and Certain of Its Subsidiary Debtors	9/10/07	5756	Appendix 1, Exhibit V
Fifteenth Supplemental Affidavit of Jack L. Kinzie in Support of the Retention of Baker Botts L.L.P. as Counsel to ASARCO LLC and Certain of its Subsidiary Debtors to Effect Disclosure for Lateral Candidate Pursuant to this Court's Order (Docket No. 4610)	4/23/08	7521	Appendix 1, Exhibit W
Sixteenth Supplemental Affidavit of Jack L. Kinzie in Support of (I) the Expanded Retention of Baker Botts L.L.P. as Counsel to the Newly Filed Subsidiary Debtors and (II) the Continued Retention of Baker Botts L.L.P. as Counsel to ASARCO LLC and Previously Filed Subsidiary Debtors, Including Disclosure for Lateral Candidate	6/16/08	8137	Appendix 1, Exhibit X
Seventeenth Supplemental Affidavit of Jack L. Kinzie in Support of the Retention of Baker Botts L.L.P. as Counsel to ASARCO LLC and Certain of its Subsidiary Debtors to Effect Disclosure for Lateral Candidate Pursuant to this Court's Order	7/21/08	8437	Appendix 1, Exhibit Y
Eighteenth Supplemental Affidavit of Jack L. Kinzie in Support of the Retention of Baker Botts L.L.P. as Counsel to ASARCO LLC and Certain of its Subsidiary Debtors	1/6/09	10241	Appendix 1, Exhibit Z

15. Prior to the Petition Date, Applicant represented the Debtors in matters unrelated to this case. Applicant also represented the Debtors in connection with the planning

and preparation for the bankruptcy filings. Since August 9, 2005, Applicant has represented Debtors in the performance of the Debtors' duties and the exercise of Debtors' powers as Debtors in Possession. A summary of the services provided during the Application Period is attached as Appendix 2, Schedules 1 through 3 and Exhibits A through Y. A more descriptive explanation of services provided and work done is set forth below and is fully detailed in the billing statements attached as Appendix 3,³ Exhibits A through Y. The out-of-pocket expenses of Applicant for which reimbursement is sought by this Application are set forth in detail in Appendix 2, Schedule 3.

16. On November 18, 2005, Applicant filed its First Interim Application of Baker Botts L.L.P., Counsel to Debtor, for Allowance and Payment of Compensation for Services Rendered and Reimbursement of Expenses Incurred for the Period August 9, 2005 through October 31, 2005 (the "First Interim Application"), Docket No. 955, requesting professional fees in the total amount of \$2,057,962.00 and expenses in the total amount of \$94,042.10. On December 15, 2005, the Order Granting First Interim Application of Baker Botts L.L.P., Counsel to Debtor, For Allowance and Payment of Compensation for Services Rendered (\$2,057,962.00) and Reimbursement of Expenses Incurred (\$94,042.10) for the Period August 9, 2005 Through October 31, 2005, was entered by this Court, Docket No. 1239, directing payment by the Debtor and application of the retainer balance held by Applicant. Applicant received payment of its professional fees in the total amount of \$2,057,962.00 and expenses in the total amount of \$94,042.10 on December 20, 2005 from Debtor and applied the retainer balance of \$45,318.77. The Debtor overpaid Applicant in the amount of \$45,318.77 and such monies were returned to the Debtor on February 2, 2006.

³ Due to the voluminous nature of the exhibits, they are not enclosed with the Application. However, the exhibits have been filed with the Court and may also be obtained upon request in writing to Debtors' counsel.

17. On April 14, 2006, Applicant filed its Second Interim Application of Baker Botts L.L.P., Counsel to Debtor, for Allowance and Payment of Compensation for Services Rendered and Reimbursement of Expenses Incurred for the Period November 1, 2005 through February 28, 2006 (the "Second Interim Application"), Docket No. 1998, requesting professional fees in the total amount of \$2,414,431.75 and expenses in the total amount of \$138,644.91. On May 9, 2006, the Order Granting Second Interim Application of Baker Botts L.L.P., Counsel to Debtor, For Allowance and Payment of Compensation for Services Rendered (\$2,414,431.75) and Reimbursement of Expenses Incurred (\$138,644.91) for the Period November 1, 2005 through February 28, 2006, was entered by this Court, Docket No. 2142, directing payment by the Debtor. Applicant received payment of its professional fees in the total amount of \$482,886.35 on May 22, 2006 from Debtor.

18. On August 14, 2006, Applicant filed its Third Interim Application of Baker Botts L.L.P., Counsel to Debtor, for Allowance and Payment of Compensation for Services Rendered and Reimbursement of Expenses Incurred for the Period March 1, 2006 through June 30, 2006 (the "Third Interim Application"), Docket No. 2747, requesting professional fees in the total amount of \$2,965,096.00 and expenses in the total amount of \$110,602.95. On September 7, 2006, the Order Granting Third Interim Application of Baker Botts L.L.P., Counsel to Debtor, For Allowance and Payment of Compensation for Services Rendered (\$2,965,096.00) and Reimbursement of Expenses Incurred (\$110,602.95) for the Period March 1, 2006 through June 30, 2006, was entered by this Court, Docket No. 2922, directing payment by the Debtor. Applicant received payment of its professional fees in the total amount of \$593,019.20 on September 21, 2006 from Debtor.

19. On December 5, 2006, Applicant filed its Fourth Interim Application of Baker Botts L.L.P., Counsel to Debtor, for Allowance and Payment of Compensation for Services Rendered and Reimbursement of Expenses Incurred for the Period July 1, 2006 through October 31, 2006 (the "Fourth Interim Application"), Docket No. 3386, requesting professional fees in the total amount of \$4,245,960.75 and expenses in the total amount of \$230,852.53. On December 29, 2006, the Order Granting Fourth Interim Application of Baker Botts L.L.P., Counsel to Debtor, For Allowance and Payment of Compensation for Services Rendered (\$4,245,960.75) and Reimbursement of Expenses Incurred (\$230,852.53) for the Period July 1, 2006 through October 31, 2006, was entered by this Court, Docket No. 3516, directing payment by the Debtor. Applicant received payment of its professional fees in the total amount of \$849,192.15 on December 29, 2006 from Debtor.

20. On April 13, 2007, Applicant filed its Fifth Interim Application of Baker Botts L.L.P., Counsel to Debtor, for Allowance and Payment of Compensation for Services Rendered and Reimbursement of Expenses Incurred for the Period November 1, 2006 through February 28, 2007 (the "Fifth Interim Application"), Docket No. 4450, requesting professional fees in the total amount of \$6,532,097.25 and expenses in the total amount of \$263,860.63. On May 8, 2007, the Order Granting Fifth Interim Application of Baker Botts L.L.P., Counsel to Debtor, for Allowance and Payment of Compensation for Services Rendered and Reimbursement of Expenses Incurred for the Period November 1, 2006 Through February 28, 2007, was entered by this Court, Docket No. 4662, directing payment by the Debtor. Applicant received payment of its professional fees in the total amount of \$1,944,568.74 on May 21, 2007 from Debtor.

21. On August 14, 2007, Applicant filed its Sixth Interim Application of Baker Botts L.L.P., Counsel to Debtor, for Allowance and Payment of Compensation for

Services Rendered and Reimbursement of Expenses Incurred for the Period March 1, 2007 through June 30, 2007 (the "Sixth Interim Application"), Docket No. 5541, requesting professional fees in the total amount of \$9,924,783.75 and expenses in the total amount of \$438,269.61. On September 7, 2007, the Order Granting Sixth Interim Application of Baker Botts L.L.P., Counsel to Debtor, for Allowance and Payment of Compensation for Services Rendered and Reimbursement of Expenses Incurred for the Period March 1, 2007 Through June 30, 2007, was entered by this Court, Docket No. 5731, directing payment by the Debtor.

22. On November 21, 2007, Applicant filed its Seventh Interim Application of Baker Botts L.L.P., Counsel to Debtors, for Allowance and Payment of Compensation for Services Rendered and Reimbursement of Expenses Incurred for the Period July 1, 2007 through October 31, 2007 (the "Seventh Interim Application"), Docket No. 6334, requesting professional fees in the total amount of \$11,840,037.50 and expenses in the total amount of \$902,354.13. On December 14, 2007, the Order Granting Seventh Interim Application of Baker Botts L.L.P., Counsel to Debtor, for Allowance and Payment of Compensation for Services Rendered and Reimbursement of Expenses Incurred for the Period July 1, 2007 through October 31, 2007, was entered by this Court, Docket No. 6541, directing payment by the Debtor.

23. On April 15, 2008, Applicant filed its Eighth Interim Application of Baker Botts L.L.P., Counsel to Debtors, for Allowance and Payment of Compensation for Services Rendered and Reimbursement of Expenses Incurred for the Period November 1, 2007 through February 29, 2008 (the "Eighth Interim Application"), Docket No. 7420, requesting professional fees in the total amount of \$10,862,734.50 and expenses in the total amount of \$697,079.63. On May 9, 2008, the Order Granting Eighth Interim Application of Baker Botts L.L.P., Counsel to Debtor, for Allowance and Payment of Compensation for Services Rendered and Reimbursement

of Expenses Incurred for the Period November 1, 2007 through February 29, 2008, was entered by this Court, Docket No. 7648, directing payment by the Debtor.

24. On August 20, 2008, Applicant filed its Ninth Interim Application of Baker Botts L.L.P., Counsel to Debtors, for Allowance and Payment of Compensation for Services Rendered and Reimbursement of Expenses Incurred for the Period March 1, 2008 through June 30, 2008 (the "Ninth Interim Application"), Docket No. 8792, requesting professional fees in the total amount of \$ 17,598,896.75 and expenses in the total amount of \$1,413,238.88. On September 15, 2008, the Order Granting Ninth Interim Application of Baker Botts L.L.P., Counsel to Debtor, for Allowance and Payment of Compensation for Services Rendered and Reimbursement of Expenses Incurred for the Period March 1, 2008 through June 30, 2008, was entered by this Court, Docket No. 9131, directing payment by the Debtor.

25. On November 21, 2008, Applicant filed its Tenth Interim Application of Baker Botts L.L.P., Counsel to Debtors, for Allowance and Payment of Compensation for Services Rendered and Reimbursement of Expenses Incurred for the Period July 1, 2008 through October 31, 2008 (the "Tenth Interim Application"), Docket No. 10037, requesting professional fees in the total amount of \$13,005,130.50 and expenses in the total amount of \$510,179.36. On December 19, 2008, the Order Granting Tenth Interim Application of Baker Botts L.L.P., Counsel to Debtor, for Allowance and Payment of Compensation for Services Rendered and Reimbursement of Expenses Incurred for the Period July 1, 2008 through October 31, 2008, was entered by this Court, Docket No. 10165, directing payment by the Debtor.

26. On April 14, 2009, Applicant filed its Eleventh Interim Application of Baker Botts L.L.P., Counsel to Debtors, for Allowance and Payment of Compensation for Services Rendered and Reimbursement of Expenses Incurred for the Period November 1, 2008

through February 28, 2009 (the “Eleventh Interim Application”), Docket No. 10830, requesting professional fees in the total amount of \$7,897,867.75 and expenses in the total amount of \$217,390.83. On May 8, 2009, the Order Granting Eleventh Interim Application of Baker Botts L.L.P., Counsel to Debtor, for Allowance and Payment of Compensation for Services Rendered and Reimbursement of Expenses Incurred for the Period November 1, 2008 through February 28, 2009, was entered by this Court, Docket No. 11189, directing payment by the Debtor.

27. On December 15, 2005, the Court entered the Administrative Order establishing procedures for interim compensation and reimbursement of expenses of professionals. Pursuant to the Administrative Order, Applicant has submitted the following monthly interim statements of professional fees and expenses to the Debtor, the United States Trustee and the Official Committee of Unsecured Creditors during the Application Period:

Dated	Interim Statement	Fees Requested (80%)	Expenses Requested (100%)	Payment Received and Date Received	Total Fees Requested (100%)	Remaining Balance (Unpaid fees and expenses)	Appendix / Exhibit
4/20/09	3/1-31/09	\$2,297,619.20	\$77,245.60	5/12/09, \$2,374,864.80	\$2,872,024.00	\$574,404.80	Appendix 4, Exhibit A
5/20/09	4/1-30/09	2,687,645.80	105,948.94	6/11/09, 2,793,594.74	3,359,557.25	671,911.45	Appendix 4, Exhibit B
6/22/09	5/1-31/09	2,661,877.80	85,694.30	7/13/09, 2,747,572.10	3,327,347.25	665,469.45	Appendix 4, Exhibit C
7/20/09	6/1-30/09	2,337,703.80	225,671.21	9/18/09, 2,563,375.01	2,922,129.75	584,425.95	Appendix 4, Exhibit D
Total		\$9,984,846.60	\$494,560.05	\$10,479,406.65	\$12,481,058.25	\$2,496,211.65	

28. Applicant has no agreement of any kind, express or implied, to divide with any other person or entity any portion of the compensation sought or to be received by it in this case.

VOLUNTARY REDUCTIONS AND ADDITIONAL ADJUSTMENTS

29. Baker Botts has voluntarily reduced its professional non-working travel fees by \$119,908.25 in compliance with the United States Bankruptcy Court for the Southern

District of Texas Procedures for Complex Chapter 11 Cases, and resulting in a savings to the Debtors of \$119,908.25.

FACTORS AFFECTING COMPENSATION

30. Courts recognize that factors other than number of hours spent and the hourly rate normally charged may be considered in fixing the amount of reasonable attorneys' fees to be awarded in a bankruptcy proceeding. Such factors are set forth in *In re First Colonial Corporation of America*, 544 F.2d 1291 (5th Cir. 1977) and *Johnson v. Georgia Highway Express, Inc.*, 488 F.2d 714 (5th Cir. 1974). One or more of these so-called *Johnson* factors may serve as a basis for enhancing the hourly rate which might otherwise be allowed. *Wolf v. Frank*, 555 F.2d 1213 (5th Cir. 1977). Applicant does not seek a fee enhancement as part of this Interim Application. The *Johnson* factors are discussed below.

A. **Time and Labor Required.** Appendices 2 (Schedules 1 and 2, and Exhibits A through Y), 3 and 4 list, in detail, all of the work performed for which compensation is sought. The date the services were rendered, the individual performing such services, a description of the services, and the time expended are all detailed. Applicant believes that such detail establishes that its request for compensation is reasonable. All of the services specified were actual and necessary for the Debtors to perform their statutory duties as debtors-in-possession.

B. **Novelty and Difficulty.** As set forth in greater detail below and in Appendices 2 (Schedules 1 and 2, and Exhibits A through Y), 3 and 4, these cases have involved a number of challenging legal and operational issues.

C. **Skill Required to Perform the Legal Service Properly.** Bankruptcy is a specialized area of federal practice, requiring knowledge of the Bankruptcy Code and other

related state and federal statutes and precedent. It also requires a working knowledge of a number of other areas of law regularly confronting the Debtors' operations. In order to address the range of issues presented, Applicant used its skills and expertise in bankruptcy, trial, labor, tax, environmental, commercial finance, and corporate areas of law, among others. Likewise, dealing with the complicated issues, many of which were on an expedited basis, required a substantial amount of skill.

D. Preclusion of Other Employment. Applicant's representation in this case did not preclude it from accepting other employment undertaken by Applicant.

E. Customary Fee. The hourly rates for each Applicant professional are summarized in each Exhibit filed in support of this Application. These rates are commensurate with those being charged by attorneys with similar qualifications and experience. The hourly rates requested by Applicant compare favorably with average costs for similar legal services being provided by a national law firm.

F. Whether the Fee is Fixed or Contingent. Applicant's fee is neither fixed nor contingent other than the contingency of court-allowance and available assets to pay professionals. It is based upon the actual total number of hours worked plus the actual costs incurred.

G. Amount Involved and Results Obtained. Appendices 2 (Schedules 1 and 2, and Exhibits A through Y), 3 and 4 detail Applicant's work during the Application Period. The dates such services were rendered, the individual performing such services, a description of the services and the time expended are all detailed. Applicant believes that such information, as well as the narrative provided below with regard to each category of service, establishes that its requested compensation is reasonable. As a result of Applicant's efforts during the Application

Period, the Debtors achieved a number of objectives vital to their successful reorganization, which are summarized in the “Case Status” section below and detailed in the narrative descriptions included in this Application.

H. Experience, Reputation, and Ability of the Attorneys. Applicant’s partners and associates have regularly appeared in significant representations over many years. This includes bankruptcy cases throughout Texas and the United States. The attorneys have a substantial reputation in the legal community.

I. “Undesirability” of Case. This case was not undesirable. As in all debtor cases, there is a risk that fees and expenses will not get paid when a firm agrees to represent a debtor in possession. Due to these uncertainties, firms frequently elect not to represent a debtor in possession.

J. Awards in Similar Cases. Based on Applicant’s experience in the Texas market and throughout the country, Applicant’s fees are in line with, if not below, fees allowed in proceedings of similar scope for the services rendered and results obtained.

**COMPENSATION AND REIMBURSEMENT
REQUESTED BY BAKER BOTTS L.L.P.**

31. By this Application and in accordance with § 331 of the Bankruptcy Code, Applicant requests allowance of compensation for attorneys’ fees in the total amount of \$12,481,058.25 for the Application Period for a total of 31,765.8 hours. For the Application Period, the average billing rate for Applicant Attorneys was \$425.61 per hour; the average billing rate for Applicant paralegals, paralegal clerks, and other paraprofessional staff was \$173.45 per hour; and the combined attorney/paraprofessional average billing rate was \$392.91.⁴

⁴ A detailed description of time spent and services rendered by each attorney and paraprofessional in each of the major issues areas in which Applicant has performed services is set forth on Appendices 2 (Schedules 1 and 2,

32. In addition, Applicant requests reimbursement of its actual and necessary costs and expenses in the sum of \$494,560.05 all of which disbursements were incurred in connection with the rendering of services to the Debtors. A summary of all disbursements is attached as Appendix 2, Schedule 3.

33. Applicant is aware of the fact that compensation will be paid to lawyers only for legal work, and the dollar value of a particular task is not enhanced simply because a lawyer does it. Considerable care has been taken, therefore, to avoid the performance of purely ministerial tasks by lawyers through the use of paralegals and non-billing secretaries and support staff where possible. Applicant worked to restrict the number of lawyers involved in this case to (a) maximize familiarity with the subject matter and avoid waste or duplicate efforts; (b) employ special expertise in a given field of law when necessary to do the best job possible with the least amount of effort; and (c) assign the performance of all tasks to the least-senior lawyer capable of performing it consistent with sound legal representation and supervision.

34. Applicant took care to avoid duplication of effort and to deploy lawyers whose expertise is of the requisite level to perform the services. It must be noted that in some instances questions involving Debtors' estates have involved complex legal issues requiring a larger proportion of partner time. It is also occasionally necessary for more than one attorney to participate to adequately and completely represent the Debtors. Dual participation does not equate to duplication of effort, but rather promotes efficiency and prevents unnecessary duplication of effort in the future. Conferences, email, and the preparation of memoranda were

and Exhibits A through Y), 3 and 4. The applicable billing rates for each attorney and paraprofessional rendering services are also included in such appendices. To aid the Court's evaluation of the reasonableness of the fees, summary schedules setting forth the number of hours devoted by individual attorneys and paralegals of Applicant, together with their respective year of licensing and regular hourly billing rates, are included for each project as Appendices 2 (Schedules 1 and 2, and Exhibits A through Y), 3 and 4.

used as necessary to promote efficiency. Meetings and telephone conferences occasionally involved multiple separate subject matters and issues which were being handled by different attorneys. Applicant submits that the fees being sought herein are the same as (or lower than) they would have been in a non-bankruptcy matter of similar size and complexity.

Executive Summary

35. The events during this Application Period set the stage for the contested confirmation hearing that commenced on August 10, 2009. After months of negotiations between the Debtors, Sterlite (USA), Inc. ("Sterlite"), and the creditors constituents, and after considering other alternatives such as a stand-alone plan and other proposals from potential plan sponsors, ASARCO and Sterlite entered in a new purchase and sale agreement for substantially all of ASARCO's operating assets (the "New Sterlite PSA"). Promptly thereafter, ASARCO filed a motion to approve certain bid protections contained in the New Sterlite PSA as well as a settlement with Sterlite in connection with the original purchase agreement (the "Sterlite 9019 Motion"). Americas Mining Corporation and ASARCO Incorporated (together, the "Parent") vehemently contested the Sterlite 9019 Motion, and after significant discovery including depositions, written discovery, and time-consuming document production, the Court conducted a two-day hearing and granted the Sterlite 9019 Motion. The New Sterlite PSA serves as the foundation for the Debtors' chapter 11 plan, of which they are currently seeking confirmation.

36. After the Debtors filed their third amended plan in March 2009, based in part on the New Sterlite PSA, the Parent and the asbestos representatives entered into an agreement in principle that required the asbestos representatives to oppose the Sterlite 9019 Motion and confirmation of the Debtors' plan. As a result, the Applicant recommenced worked on the asbestos estimation which required preparation of fact and expert witnesses, written and

oral discovery, and research on relevant legal issues. During the Application Period, the Debtors, Sterlite, and the asbestos representatives entered into an agreement that obviated the need to proceed with asbestos estimation.

37. The Debtors filed a motion to approve settlement agreements which resolved the Debtors' significant, contingent environmental liabilities (the "Environmental 9019 Motion"). Again, the Parent fiercely contested the motion and after significant discovery, the Court conducted a two-day evidentiary hearing. Eventually, the Court granted the Environmental 9019 Motion and as a result, \$3.6 billion of the Debtors' alleged liability for environmental claims was resolved for \$1.1 billion.

38. Additionally, the Applicant prepared for the trial of ASARCO's objection to Administrative Claim No. 18571, as amended by Administrative Claim No. 19214. During the Application Period, ASARCO was required to conduct and respond to discovery, prepare and file pretrial motions, prepare its trial brief, and present its opening statement to brief the Court on the legal arguments in connection with the trial that was held after the Application Period.

39. During the Application Period, the Applicant began the task of seeking confirmation of the Debtors' plan of reorganization. A number of events, including the agreement in principle between the Parent and asbestos representatives and the Debtors' negotiation with other creditor constituents, caused the Debtors to file four amendments to their plan during the Application Period. In addition, competing plans (and multiple variations thereof) were filed by the Parent and Harbinger Capital Partners Master Fund I, Ltd. At the Court's direction, the plan proponents drafted and obtained approval of a joint disclosure statement that was sent, along with other solicitation materials, to creditors just after the

Application Period. In addition, the Applicant developed the procedures by which the plan proponents solicited acceptances for their plans of reorganization.

40. The Debtors, along with all parties in interest in these chapter 11 cases, are in the midst of a multi-plan confirmation hearing and much of the work required to be completed in preparation for the confirmation hearing was performed during the Application Period.

**SUMMARY OF SERVICES PERFORMED
AND SUPPORTING EXHIBITS**

41. The professional services performed by Applicant on behalf of the Debtors between March 1, 2009 and June 30, 2009 are described below in a summary manner into the following discrete categories, which reflect the type of services performed on behalf of the Debtors. These categories were established consistent with the guidelines of the United States Trustee. See also Appendices 2 (Schedules 1 and 2, and Exhibits A through Y), 3 and 4 for full details.

EXHIBIT A Case Administration

The Debtors' list of creditors, potential creditors, and parties in interest (exclusive of asbestos-related claims) exceeds 7,000 to date. Providing notice to such a large creditor constituency, maintaining, and updating service lists, maintaining the master calendar and responding to their questions and inquiries comprised a large percentage of the time in this category. Approximately 90% of the time billed to this category was performed by paralegals as part of Applicant's effort to manage costs and assign the appropriate professional to a particular task. During the Application Period, Applicant professionals spent 247.3 hours, for which \$45,937.00 in compensation is sought, providing services relating to Case Administration and

performing numerous tasks which are routinely performed by counsel to debtors during a chapter 11 case, including (but not limited to):

- (1) managing coordination and compliance activities;
- (2) calendaring various deadlines and actively maintaining a master case calendar;
- (3) scheduling and attending to various matters related to the Sterlite 9019 and confirmation hearings;
- (4) advising the Debtors of their legal rights, powers, and obligations on matters not falling within a specific category;
- (5) filing documents with this Court and serving documents upon creditors;
- (6) addressing issues regarding monthly operating statements;
- (7) reviewing PACER for docket updates;
- (8) participating in conference calls regarding the status of the case;
- (9) managing pleadings and maintaining master pleading pad;
- (10) coordinating with court reporters regarding various depositions and hearings;
- (11) retrieving transcripts of hearings;
- (12) responding to creditor questions regarding the status of the case;
- (13) organizing, maintaining, and reviewing Debtors' files; and
- (14) performing other services where the amounts involved did not warrant creating a new matter number and miscellaneous time entries relating to general representation of the Debtors not categorized under any particular task category.

EXHIBIT B Asset Disposition

Prior to the Application Period, the Applicant advised the Debtors in connection with analyzing and developing plan alternatives and in connection with the New Sterlite PSA that ASARCO entered into on March 6, 2009. Since the signing of the New Sterlite PSA, the Applicant was required to advise on and draft amendments. Throughout March, April, May, and June of 2009, the Applicant advised the Debtors on a multitude of bankruptcy, contract, litigation, and corporate law matters in connection with the New Sterlite PSA, the Estate's rights, and various matters related to the letters of credit issued pursuant to the agreement.

During the Application Period, Applicant attorneys and paralegals spent 2,507.0 hours, for which \$1,053,687.50 in compensation is sought, providing services relating to Asset Disposition and performing numerous tasks which are routinely performed by counsel to debtors during a chapter 11 case, including (but not limited to):

- (1) advising the client with respect to the bankruptcy procedures related to asset sales;
- (2) participating in, and advising the client with respect to, the negotiations with Sterlite in connection with the New Sterlite PSA and other agreements contemplated thereby (including the purchaser promissory note);
- (3) drafting a plan and disclosure statement and exhibits thereto incorporating the New Sterlite PSA;
- (4) preparing certain analyses of various provisions within the New Sterlite PSA and assisting in the Sterlite 9019 hearing preparation and related matters;
- (5) attending to various corporate and securities matters in connection with the Debtors' plan and disclosure statement and exhibits thereto;

- (6) assisting in the preparation for a potential auction of certain litigation including drafting related disclosure documents and related materials;
- (7) attending to pre-closing matters in connection with the New Sterlite PSA;
- (8) assisting the Debtors in the sale of property in Perth Amboy, New Jersey; and
- (9) multiple conferences and meetings with Sterlite representatives, the creditor constituents, and the Board of Directors in connection with the New Sterlite PSA and various matters related to the Letters of Credit.

These activities allowed the Debtors to function effectively and fulfill their statutory obligations under the Bankruptcy Code. Itemized and detailed descriptions of the work performed with respect to Asset Disposition are attached as Appendix 2, Schedule 2, Exhibit B and Appendix 3, Exhibit B.

EXHIBIT C Fee/Employment Applications

During the Application Period, Applicant attorneys and paralegals spent 480.8 hours, for which \$131,660.00 in compensation is sought, providing services relating to Fee/Employment Applications and performing numerous tasks which are routinely performed by counsel to debtors during a chapter 11 case, including (but not limited to):

- (1) preparing and reviewing retention applications for the engagement of the Debtors' expert insurance counsel and professional in connection with auction of SCC litigation assets;
- (2) attending independent committee meeting regarding engagement of professional to auction SCC litigation assets and calls with professionals regarding same;

- (3) preparing for the deposition of the Debtors' financial advisor and investment banker in connection with the retention application of same;
- (4) preparing employment applications and conflicts analysis/affidavits for Applicant, professionals, special counsel, and ordinary course professionals;
- (5) communicating with and responding to inquiries from the United States trustee regarding the Applicant's monthly fee statements;
- (6) reviewing other professionals' fee applications to ensure compliance with applicable Bankruptcy Rules;
- (7) assisting the Debtors in identifying, evaluating, and selecting professionals whose services are needed to further the Debtors' reorganization objectives;
- (8) managing expenses incurred by Applicant on behalf of the Debtor;
- (9) reviewing and redacting Applicant's monthly fee statements to protect confidential information;
- (10) preparing and reviewing Applicant's fee application;
- (11) addressing fee allocation dispute between Applicant and its subsidiaries;
and
- (12) preparing for and attending hearings on the foregoing applications.

These activities allowed the Debtors to function effectively and fulfill their statutory obligations under the Bankruptcy Code. Itemized and detailed descriptions of the work performed with respect to Fee/Employment Applications are attached as Appendix 2, Schedule 2, Exhibit C and Appendix 3, Exhibit C.

EXHIBIT D Assumption/Rejection Lease

As part of Debtors' efforts to cut costs and reorganize, Applicant has been instrumental in assisting in the identification (and assumption, assignment, or rejection) of contracts and real/personal property leases. During the Application Period, Applicant's attorneys and paralegals spent 28.0 hours, for which \$8,534.50 in compensation is sought, providing services relating to Assumption/Rejection Lease/Contract, including (but not limited to):

- (1) preparing and updating exhibit to Debtors' plan of reorganization listing contracts to be assumed and assigned post-bankruptcy;
- (2) conferring with Debtors and creditors regarding preparation and implementation of motions to reject, assume, or assign leases and contracts;
- (3) preparing and updating master charts listing all of the Debtors' contracts at their operating properties and non-operating properties and addressing open issues with the Debtors; and
- (4) reviewing and analyzing ordinary course contracts and leases entered into by the Debtors.

These activities allowed the Debtors to function effectively and fulfill its statutory obligations under the Bankruptcy Code. Itemized and detailed descriptions of the work performed with respect to Assumption/Rejection Lease/Contract are attached as Appendix 2, Schedule 2, Exhibit D and Appendix 3, Exhibit D.

EXHIBIT E Business Operations

During the Application Period, Applicant attorneys and paralegals spent 2.8 hours, for which \$1,467.50 in compensation is sought, providing services relating to Business

Operations performing numerous tasks which are routinely performed by counsel to debtors during a chapter 11 case, including (but not limited to):

- (1) analyzing issues unique to the continuing operation of a business in bankruptcy and recommending courses of action to the Debtors regarding same; and
- (2) conferring and advising the Debtors on their monthly operating reports.

These activities allowed the Debtors to function effectively and fulfill their statutory obligations under the Bankruptcy Code. Itemized and detailed descriptions of the work performed with respect to Business Operations are attached as Appendix 2, Schedule 2, Exhibit E and Appendix 3, Exhibit E.

EXHIBIT F Labor Issues/Employee Benefits/Pension

During the Application Period, the Applicant advised the Debtor with respect to the Debtor's regular, ongoing labor and benefits issues, including continuing to advise the Debtor on labor and benefits issues relating to the implications of the new collective bargaining agreement. The Applicant also advised the Debtors as to certain labor and benefits obligations under the New Sterlite PSA and reviewed and analyzed the Debtor's benefit plans to determine the necessary next steps with respect to the transfer of those plans to Sterlite. The Applicant further advised the Debtors regarding the multiple plans of reorganization proposed during the Application Period, comparing the impact of such plans on the Debtor's employee benefit plans and reviewing labor and employment issues surrounding the same.

The Applicant also reviewed four qualified pension plans and multiple health and welfare arrangements sponsored by the Debtor to ensure that the terms of the plans meet all applicable legal compliance requirements. The Applicant amended and restated all four pension

plans to reflect substantial changes in the law as a result of pension reform legislation and revisions to Treasury Department regulations. that are applicable to the plans. In addition, the Applicant assisted the Debtor in preparing forms and other documentation necessary to respond to requests to the Internal Revenue Service regarding the tax qualified status of such pension plans.

During the Application Period, Applicant attorneys and paralegals spent 838.8 hours, for which \$509,169.50 in compensation is sought, providing services relating to Labor Issues/Employee Benefits/Pension, including (but not limited to):

- (1) advising the Debtor on labor, employee benefits, and corporate governance issues in connection with the New Sterlite PSA;
- (2) researching and advising the Debtor on the continued implementation of the collective bargaining agreement and class action settlement agreement and their implication on the Debtor's sale of assets and future business decisions;
- (3) researching and advising the Debtor on ERISA issues, non-Erisa pension-related issues, potential retiree medical liabilities under the Coal Industry Retiree Health Benefits Act of 1992, HIPAA, state privacy law, and compliance obligations potentially applicable to the Debtor's health and welfare arrangements, and employee benefit and compensation;
- (4) advising the Debtor with respect to certain requirements of the Pension Benefit Guaranty Corporation, and researching issues related to the Pension Benefit Guaranty Corporation and requirements related to ERISA and benefit issues;

- (5) assisting the Debtor in responding to participant inquiries regarding the treatment of plan benefits under Pension Benefit Guaranty Corporation rules;
- (6) researching and advising the Debtor with respect to certain filing requirements mandated by the Internal Revenue Service;
- (7) reviewing and advising the Debtor on employment and benefit litigation matters and internal review of certain employment issues;
- (8) researching and advising the Debtor on workers' compensation, supplemental unemployment benefits, disability, life, retiree, and other benefits related matters;
- (9) drafting documents and advising the Debtor regarding potential severance obligations and incentive and retention plan arrangements;
- (10) researching and advising the Debtor on recent legislative changes and required plan provisions for its qualified employer plans, deferred compensation plans, and welfare plans;
- (11) drafting amendments to the Debtor's various qualified pension plans;
- (12) preparing the Debtor's pension plans and applications regarding the tax qualified status of same for filing with the Internal Revenue Service and researching issues related to same;
- (13) researching and advising the Debtor on executive compensation matters;
- (14) researching and advising the Debtor on various regulatory compliance matters in connection with the Debtor's employee benefit plans;

- (15) reviewing the New Sterlite PSA's benefits and employment related provisions and benefit plan indemnification provisions and advising the Debtor regarding obligations under the same;
- (16) reviewing the proposed plans of organization, advising the Debtor with respect to their respective impacts on employees, unions, and the Debtor's employee benefit plans, and responding to inquiries regarding the same;
- (17) advising the Debtor regarding pension funding and liability issues;
- (18) reviewing plan documents and summaries of plan benefits offered under the Debtor's health and welfare plans and arrangements for purposes of legal compliance;
- (19) reviewing claims procedures and ERISA fiduciary rules applicable to the Debtor's benefit plans;
- (20) reviewing and revising the Debtor's benefit plans to comply with accounting rules;
- (21) reviewing stay of execution and potential impact on the Debtor's benefit plans; and
- (22) reviewing and advising the Debtor on third party agreements related to employee benefits matters and a dependent eligibility audit with respect to enrollment in the Debtor's welfare plans.

These activities allowed the Debtors to function effectively and fulfill their statutory obligations under the Bankruptcy Code. Itemized and detailed descriptions of the work performed with respect to Labor Issues/Employee Benefits/Pension are attached as Appendix 2, Schedule 2, Exhibit F and Appendix 3, Exhibit F.

EXHIBIT G Tax Issues

During the Application Period, Applicant attorneys and paralegals spent 1,351.4 hours, for which \$621,061.50 in compensation is sought, providing services relating to Tax Issues, including (but not limited to):

- (1) researching and analyzing possible bankruptcy restructuring alternatives and the tax consequences thereof;
- (2) drafting voluminous briefs and related research materials, consulting with expert witness, addressing discovery issues, analyzing and responding to filings by ASARCO's parent, and researching various issues in connection with the AMC tax claim litigation;
- (3) strategizing, preparing for, and participating in hearings in connection with the AMC tax claim litigation;
- (4) analyzing, reviewing, and researching tax issues in connection with settlement agreements for environmental claims and related trust agreements; and
- (5) researching tax issues not captured by one of the above categories.

These activities allowed the Debtors to function effectively and fulfill their statutory obligations under the Bankruptcy Code. Itemized and detailed descriptions of the work performed with respect to Tax Issues are attached as Appendix 2, Schedule 2, Exhibit G and Appendix 3, Exhibit G.

EXHIBIT H Plan and Disclosure Statement

During the Application Period and at the request of ASARCO's board of directors, the Applicant expended a significant amount of time and resources negotiating and

drafting an amended Sterlite plan and a disclosure statement in support of the Sterlite plan. During the Application Period, the Debtors drafted and filed four versions of the Sterlite-sponsored plan of reorganization, each substantially improving on the previous as a result of creditor input and ongoing negotiations.

The Debtors also expended significant time and resources resolving objections to their proposed plan and disclosure statement and reviewing, analyzing, and objecting to the plans of reorganization and disclosure statements proposed by the Parent and Harbinger. Further, the Debtors took primary responsibility for drafting and negotiating a voluminous joint disclosure statement in support of the Debtors', Parent's, and Harbinger's plans of reorganization. The Applicant counseled and assisted the Debtors with these tasks and performed services necessary to fulfill its obligations in this regard. Ultimately, the Debtors filed their sixth amended plan and disclosure statement after the Application Period based on the New Sterlite PSA.

During the Application Period, the Applicant attorneys and paralegals spent 4,412.5 hours providing services relating to the Plan and Disclosure Statement, for which \$1,805,931.50 in compensation is sought, providing services relating to Plan and Disclosure Statement, including (but not limited to):

- (1) negotiating, drafting, reviewing, and revising multiple versions of the Sterlite-sponsored Debtors' plan of reorganization and plan documents;
- (2) negotiating, drafting, reviewing, and revising multiple versions of the disclosure statement in support of the Debtors' plan and obtaining Court approval of same;
- (3) negotiating, drafting, reviewing, and revising a joint disclosure statement with the Parent;

- (4) researching and drafting memoranda addressing issues related to Debtors' plan of reorganization;
- (5) summarizing Debtors', Parent's, and Harbinger's plans of reorganization for ASARCO's board of directors;
- (6) preparing objections to the Parent's and Harbinger's plans of reorganization and researching legal issues in connection with same;
- (7) drafting a memorandum in support of confirmation of the Debtors' plan of reorganization and researching legal issues in connection with same;
- (8) negotiating a term sheet with asbestos creditors;
- (9) negotiating and drafting a solicitation procedures motion, solicitation and tabulation procedures, voting instructions, ballots, and publication notices and negotiating with interested parties regarding same;
- (10) updating the case management order;
- (11) addressing and evaluating resolution of objections to the Debtors' plan and disclosure statement;
- (12) attending meetings and drafting sessions with key creditor constituents regarding the Debtors' plan of reorganization; and
- (13) advising the Debtors on other related issues.

These activities allowed the Debtors to function effectively and fulfill their statutory obligations under the Bankruptcy Code. Itemized and detailed descriptions of the work performed with respect to the Plan and Disclosure Statement are attached as Appendix 2, Schedule 2, Exhibit H and Appendix 3, Exhibit H.

EXHIBIT I Asset Analysis

During the Application Period, the Applicant attorneys spent 1.3 hours, for which \$552.50 in compensation is sought, providing services relating to Asset Analysis, including, but not limited to, reviewing expert reports.

These activities allowed the Debtors to function effectively and fulfill their statutory obligations under the Bankruptcy Code. Itemized and detailed descriptions of the work performed with respect to Asset Analysis are attached as Appendix 2, Schedule 2, Exhibit I and Appendix 3, Exhibit I.

EXHIBIT J Financing/Cash Collateral

During the Application Period, the Applicant attorneys and paralegals spent 8.5 hours, for which \$3,600.50 in compensation is sought, providing services relating to Financing/Cash Collateral including, but not limited to,

- (1) drafting and negotiating documents related to the Debtors' intercompany debtor-in-possession loan;
- (2) drafting and negotiating documents related to the Debtors' letter of credit facility; and
- (3) providing notices to preference defendants who have not received summons per court orders.

These activities allowed the Debtors to function effectively and fulfill their statutory obligations under the Bankruptcy Code. Itemized and detailed descriptions of the work performed with respect to Financing/Cash Collateral are attached as Appendix 2, Schedule 2, Exhibit J and Appendix 3, Exhibit J.

EXHIBIT K Creditor/Vendor Issues

During the Application Period, the Applicant attorneys and paralegals spent 9.4 hours, for which \$4,047.50 in compensation is sought, providing services relating to Creditor/Vendor Issues including, but not limited to, responding to inquiries from creditors and other interested parties regarding status of chapter 11 cases.

These activities allowed the Debtors to function effectively and fulfill their statutory obligations under the Bankruptcy Code. Itemized and detailed descriptions of the work performed with respect to Creditor/Vendor Issues are attached as Appendix 2, Schedule 2, Exhibit K and Appendix 3, Exhibit K.

EXHIBIT L Environmental Issues

Prior to the Application Period, ASARCO faced alleged environmental liabilities at over 75 separate sites. The proofs of claims filed in these cases on behalf of the federal government and federal agencies, state governments and state agencies, and other environmental claimants that relate to ASARCO's potential environmental liabilities, totaled in excess of \$6.5 billion.

During the Application Period, the Applicant actively pursued settlement of \$3.6 billion in environmental claims. The Debtors filed the Environmental 9019 Motion in early March 2009, and eventually, the Court approved the Motion. Through the Applicant's efforts, the Debtors were able to resolve their largest contingent liability in these chapter 11 cases.

During the Application Period, the Applicant's attorneys and paralegals spent 5,862.6 hours, for which \$2,189,054.50 in compensation is sought, providing services relating to Environmental Issues including (but not limited to):

- (1) preparing environmental custodial trust agreements and related settlement agreements and environmental global settlement agreements in preparation for Sterlite 9019 hearing;
- (2) preparing for and attending Environmental 9019 hearing, including preparing and compiling a joint exhibit list, designating witnesses, drafting motions to quash, drafting witness proffers, obtaining expert reports, preparing for and responding to discovery requests, and taking, defending, and monitoring oral depositions;
- (3) identifying, gathering, reviewing, and producing documents responsive to requests for production in connection with Environmental 9019 hearing;
- (4) developing and maintaining a privilege log of documents in connection with the Environmental 9019 hearing;
- (5) preparing press releases;
- (6) drafting a post-hearing brief in response to the Parent's appeal of the global 9019 decision
- (7) drafting extensive findings of fact and conclusions of law following the Environmental 9019 hearing;
- (8) preparing for depositions and other discovery in connection with upcoming confirmation hearing;
- (9) evaluating and analyzing original, amended, and late-filed proofs of claim and associated motions filed by federal agencies, state agencies, and other environmental claimants, relating to the Debtors' potential environmental liabilities, including those claims filed by potentially responsible parties;

- (10) meeting with various states, the Department of Justice, and other environmental claimants;
- (11) meeting with the Debtor and consulting with experts to continue developing a detailed strategy for resolving environmental claims at certain sites;
- (12) reviewing preliminary and final expert reports relating to analysis of the Debtor's environmental claims and producing final reports to federal agencies, state agencies, and other environmental claimants for selected sites;
- (13) analyzing expert reports submitted by federal agencies, state agencies, and other environmental claimants;
- (14) negotiating and finalizing settlement agreements relating to selected sites;
- (15) preparing for and conferring with representatives from state regulatory agencies, potentially responsible parties, and the Parent to resolve objections filed against settlement agreements;
- (16) analyzing sale opportunities of selected sites;
- (17) preparing for and participating in a hearing related to the appeal of the judgment from an estimation hearing concerning a site in Montana;
- (18) researching and analyzing issues relating to the environmental claims, including valuation of claims, contribution protection, and environmental trusts;
- (19) reviewing various agreements, consent decrees and selected site reports relating to environmental and toxic tort claims;

- (20) analyzing issues under the Resource Conservation and Recovery Act, the Clean Water Act, and the Comprehensive Environmental Response, Compensation and Liability Act of 1980 in connection with certain sites;
- (21) finalizing stipulations for withdrawal of certain claims at selected sites; and
- (22) negotiating settlement and withdrawal of remaining PRP claims.

These activities allowed the Debtors to function effectively and fulfill their statutory obligations under the Bankruptcy Code. Itemized and detailed descriptions of the work performed with respect to Environmental Issues are attached as Appendix 2, Schedule 2, Exhibit L and Appendix 3, Exhibit L.

EXHIBIT M General Corporate

During the Application, Applicant attorneys and paralegals spent 559.8 hours, for which \$228,596.50 in compensation is sought, providing services relating to General Corporate including (but not limited to):

- (1) attending to the payoff of certain liens and releasing of same;
- (2) drafting various corporate documents including board resolutions, board minutes, etc.;
- (3) addressing corporate law issues relating to subsidiaries and other corporate governance issues;
- (4) responding to and advising board members on myriad bankruptcy and legal issues;
- (5) preparing for, attending, and making presentations to the board of directors in board meetings; and

(6) attending to various real estate matters in connection with contemplated transfer of such real property.

These activities allowed the Debtors to function effectively and fulfill their statutory obligations under the Bankruptcy Code. Itemized and detailed descriptions of the work performed with respect to General Corporate are attached as Appendix 2, Schedule 2, Exhibit M and Appendix 3, Exhibit M.

EXHIBIT N Litigation and Litigation Analysis

The Applicant advised and assisted the Debtors in routine and complex litigation matters that arose during the Application Period. The Applicant prepared for the hearing on the asbestos claims estimation by reviewing and selecting potential exhibits and conferring with potential experts. The Applicant also expended a considerable amount of time in connection with various routine litigation tasks such as reviewing and coding documents, creating privilege logs, responding to discovery requests, and preparing witnesses for hearings.

During the Application Period, the Applicant attorneys and paralegals spent 3,712.6 hours, for which \$1,379,956.00 in compensation is sought, providing services relating to Litigation and Litigation Analysis including, but not limited to:

- (1) preparing for and participating in asbestos settlement meetings and status conferences;
- (2) preparing for asbestos estimation hearing;
- (3) researching legal issues related to asbestos estimation hearing;
- (4) drafting documents supporting settlement of asbestos liabilities;
- (5) responding to discovery requests and reviewing, analyzing, and preparing responsive documents for production;

- (6) researching and preparing documents in connection with the tax refund litigation;
- (7) coordinating with insurance counsel regarding settlement of various claims; and
- (8) researching numerous and significant factual and legal issues related to any other active or contemplated litigation, reviewing client correspondence and other materials for the purpose of establishing legal and factual basis of potential claims, and drafting pleadings and motions in anticipation of litigation.

These activities allowed the Debtors to function effectively and fulfill their statutory obligations under the Bankruptcy Code. Itemized and detailed descriptions of the work performed with respect to the AMC Litigation Dispute are attached as Appendix 2, Schedule 2, Exhibit N and Appendix 3, Exhibit N.

EXHIBIT O Meetings of Committees

During the Application Period, Applicant attorneys spent 16.1 hours, for which \$10,162.50 in compensation is sought, providing services relating to Meetings of Committees, including, but not limited to:

- (1) responding to requests for information from the Creditors' Committee regarding claims; and
- (2) preparing for and attending planning and strategy conferences with counsel for Creditors' Committee to discuss various issues relating to the case.

These activities allowed the Debtors to function effectively and fulfill their statutory obligations under the Bankruptcy Code. Itemized and detailed descriptions of the work performed with respect to Meetings of Committees are attached as Appendix 2, Schedule 2, Exhibit O and Appendix 3, Exhibit O.

EXHIBIT P Claims Analysis and Objection

The Applicant prepared for multiple hearings on the AMC tax litigation matter by reviewing and analyzing potential exhibits, preparing experts, responding to discovery requests, researching and analyzing research issues, and preparing an extensive brief in support of the Debtors' position. The Applicant also expended a considerable amount of time in connection with various routine claims analysis tasks such as objecting to and settling various claims.

During the Application Period, the Applicant attorneys and paralegals spent 1,464.1 hours, for which \$547,142.00 in compensation is sought, providing services relating to Claims Analysis and Objection, including (but not limited to):

- (1) analyzing and advising the Debtors regarding AMC and other claims;
- (2) preparing for, taking, and defending depositions in AMC tax matter;
- (3) planning and preparing for hearings in AMC tax litigation;
- (4) drafting documents including, but not limited to, responses, objections, and requests for production in connection with AMC tax litigation;
- (5) preparing experts in AMC tax litigation;
- (6) researching legal issues related to AMC tax litigation;
- (7) tracking proofs of claim and working with AlixPartners regarding same;
- (8) conducting claim analysis and summarizing same;
- (9) preparing omnibus objections to claims;

- (10) researching, analyzing, and advising the Debtors regarding equitable subordination of claims;
- (11) continuing settlement of certain claims against the Debtors' estates;
- (12) analyzing and objecting to certain alleged secured claims;
- (13) analyzing and advising the Debtors on handling of various employee related, including workers compensation, claims; and
- (14) analyzing and advising the Debtors on handling of various surety bond claims and drafting necessary documents to settle same.

These activities allowed the Debtors to function effectively and fulfill their statutory obligations under the Bankruptcy Code. Itemized and detailed descriptions of the work performed with respect to Claims Analysis and Objection are attached as Appendix 2, Schedule 2, Exhibit P and Appendix 3, Exhibit P.

EXHIBIT Q Real Estate Issues

During the Application Period, Applicant paralegals spent 11.6 hours, for which \$5,740.00 in compensation is sought, providing services relating to Real Estate Issues, including, but not limited to):

- (1) identifying and advising Debtors on sites to be included in the environmental custodial trusts;
- (2) resolving title issues at owned, non-operating sites;
- (3) resolving issues related to easements;
- (4) advising Debtors on issues related to leases; and
- (5) working on property management issues at non-operating sites.

This activity allowed the Debtors to function effectively and fulfill its statutory obligations under the Bankruptcy Code. Itemized and detailed descriptions of the work performed with respect to Real Estate Issues are attached as Appendix 2, Schedule 2, Exhibit Q and Appendix 3, Exhibit Q.

EXHIBIT R Schedules and Statement of Financial Affairs

During the Application Period, Applicant paralegals spent 7.7 hours, for which \$1,873.50 in compensation is sought, providing services relating to Schedules and Statement of Financial Affairs, including, but not limited to, searching schedules and drafting amended schedules.

This activity allowed the Debtors to function effectively and fulfill its statutory obligations under the Bankruptcy Code. Itemized and detailed descriptions of the work performed with respect to Schedules and Statement of Financial Affairs are attached as Appendix 2, Schedule 2, Exhibit R and Appendix 3, Exhibit R.

EXHIBIT S Non-Working Travel Time

During the Application Period, the Applicant attorneys and paralegals spent 450.2 hours, for which \$119,908.25 in compensation is sought, providing services relating to Non-Working Travel Time performing tasks which are routinely performed by counsel to debtors during a chapter 11 case. Such tasks included travel from the firm's offices in Austin, Dallas, and Houston to Brownsville and Corpus Christi when necessary to attend hearings, travel to New York to meet with Creditors' committees, travel to El Paso to meet with environmental consultants, travel to Arizona and within Texas for depositions and witness interviews, and necessary travel between the firm's offices in Texas and the Debtors' offices in Phoenix and Tucson, Arizona. These activities allowed the Debtors to function effectively and fulfill their

statutory obligations under the Bankruptcy Code. Baker Botts has voluntarily reduced its professional non-working travel fees by \$119,908.25 in compliance with the United States Bankruptcy Court for the Southern District of Texas Procedures for Complex Chapter 11 Cases. This reduction resulted in a savings to the Debtors of \$119,908.25. Itemized and detailed descriptions of the work performed with respect to Non-Working Travel Time are attached as Appendix 2, Schedule 2, Exhibit S and Appendix 3, Exhibit S.

EXHIBIT T Miscellaneous Hearing Preparation and Attendance

During the Application Period, the Applicant attorneys and paralegals spent 7,033.8 hours, for which \$2,629,235.00 in compensation is sought, providing services relating to Miscellaneous Hearing Preparation and Attendance. The vast majority of fees incurred in this category relate to preparing for, responding to discovery in connection with and attending critical hearings in the Reorganization Cases, including multiple confirmation status conferences, the Sterlite 9019 hearing, and the AMC tax hearings, and preparing for the confirmation hearing. Such services include, but are not limited to:

- (1) managing ongoing electronic document production;
- (2) responding to discovery requests and reviewing, analyzing, and preparing responsive documents for production;
- (3) preparing and negotiating confidentiality agreements in connection with discovery;
- (4) reviewing documents for inclusion in privilege log;
- (5) preparing privilege logs;
- (6) drafting discovery-related pleadings and motions;

- (7) preparing for and participating in status conferences on main bankruptcy case;
- (8) preparing case management and scheduling orders and discovery procedures for various hearings;
- (9) researching legal issues and preparing legal memoranda and briefs in connection with various hearings;
- (10) reviewing and responding to objections to the Sterlite 9019 motion;
- (11) preparing witness testimony, the presentation of evidence, and arguments for the various hearings that have taken place in this case, including the Sterlite 9019 hearing and the AMC tax hearings;
- (12) preparing for hearings that became unnecessary due to events in the Reorganization Cases, including the asbestos estimation hearing;
- (13) preparing for the various hearings that will take place, including the confirmation hearing; and
- (14) preparing for and attending hearings on matters that do not readily fall within one of the other prescribed matters.

These activities allowed the Debtors to function effectively and fulfill their statutory obligations under the Bankruptcy Code. Itemized and detailed descriptions of the work performed with respect to Miscellaneous Hearing Preparation and Attendance for Hearings are attached as Appendix 2, Schedule 2, Exhibit T and Appendix 3, Exhibit T.

EXHIBIT U Chapter 11 Strategy and Planning

During the Application Period, the Applicant attorneys and paralegals spent 382.2 hours, for which \$206,598.00 in compensation is sought, providing services relating to Chapter 11 Strategy and Planning, including (but not limited to):

- (1) advising the Debtors on a wide range of issues vital to the overall reorganization efforts of the Debtors and their stakeholders;
- (2) participating in conference calls and board meetings on strategic issues facing the Debtors and implementation of plans to meet objectives;
- (3) meetings with professionals and creditor constituents regarding the Sterlite 9019 and confirmation hearings; and
- (4) maintaining an action list and coordinating activities among responsible parties to ensure efficient and effective representation of the Debtors.

These activities allowed the Debtors to function effectively and fulfill their statutory obligations under the Bankruptcy Code. Itemized and detailed descriptions of the work performed with respect to Chapter 11 Strategy and Planning are attached as Appendix 2, Schedule 2, Exhibit U and Appendix 3, Exhibit U.

EXHIBIT V AMC Litigation

In March 2009, per the Court's request, the Applicant prepared a joint letter response apprising the Court of the status of the \$100 million note to the United States and the \$123.25 million note to SPHC. The Applicant also continued handling discovery issues relating to the AMC litigation and insurance litigation.

On April 1, 2009 the Court issued its Memorandum Opinion and Order regarding damages. The Court granted the Applicant damages in an amount valued at the time at over \$6.0

billion. The Applicant then prepared and filed ASARCO's Application for Temporary Restraining Order and Preliminary Injunction requesting the Court to prevent AMC from voting its shares of SCC in a manner adverse to ASARCO. In late April 2009, AMC filed its Appeal with the United States Court of Appeals for the Fifth Circuit. AMC also filed its Motion to Alter or Amend Judgment or For New Trial, as well as AMC's Motion for Stay of Execution of Judgment Pending Appeal.

In May 2009, Applicant prepared and filed its Response to AMC's Motion to Alter or Amend Judgment or For New Trial. The Applicant also prepared and filed ASARCO's Motion to Compel Production of Documents from AMC relating to AMC's Motion for Stay of Execution of the Judgment Pending Appeal. The Applicant conducted discovery, including the depositions of Jorge Lazalde and Rodrigo S. Navarro, related to AMC's Motion to Alter or Amend Judgment or For New Trial. The Applicant prepared for and appeared at the hearing before Judge Hanen regarding AMC's Motion to Alter or Amend Judgment or For New Trial and AMC's Motion for Stay of Execution of Judgment Pending Appeal.

During the Application Period, Applicant's attorneys and paralegals spent 2,220.0 hours, for which \$919,500.00 in compensation is sought, providing services relating to the AMC Litigation dispute, including (but not limited to):

- (1) researching and preparing various motions and responses;
- (2) reviewing motions, replies and briefs submitted by AMC;
- (3) preparing for and attending depositions, including the depositions of Jorge Lazalde and Rodrigo Navarro;
- (4) preparing for and arguing motions and responses, including ASARCO's Motion to Compel Production of Documents;

- (5) preparing and serving various deposition notices and stipulations;
- (6) preparing for and attending hearings, including telephonic hearings;
- (7) researching and preparing memorandum regarding various legal issues;
and
- (8) attending weekly team status conference meetings.

These activities allowed the Debtors to function effectively and fulfill their statutory obligations under the Bankruptcy Code. Itemized and detailed descriptions of the work performed with respect to the AMC Litigation Dispute are attached as Appendix 2, Schedule 2, Exhibit V and Appendix 3, Exhibit V.

EXHIBIT W Montana Resources

During the Application Period, the Applicant attorneys and paralegals spent 132.4 hours, for which \$49,053.00 is sought, providing services relating to the MRI dispute, including (but not limited to):

- (1) preparing for and arguing at a hearing on MRI's motion for summary judgment;
- (2) preparing a motion to strike MRI's supplemental brief in support of its motion for summary judgment, and preparing for and arguing at a hearing on the same;
- (3) preparing a response to MRI's supplemental brief in support of its motion for summary judgment;
- (4) providing attention to expert issues;
- (5) preparing and serving a notice of deposition;
- (6) reviewing and producing documents;

- (7) revising ASARCO's privilege log;
- (8) negotiating and preparing stipulations pertaining to discovery;
- (9) drafting a report on the status of the MRI dispute; and
- (10) developing case strategy.

These activities allow the Debtors to function effectively and fulfill their statutory obligations under the Bankruptcy Code. Itemized and detailed descriptions of the work performed with respect to the MRI dispute are attached as Appendix 2, Schedule 2, Exhibit W and Appendix 3, Exhibit W.

EXHIBIT X Rosemont

During the Application Period, Applicant attorneys and a legal clerk spent 16.9 hours, for which \$4,959.50 is sought, providing services relating to the Rosemont adversary proceeding, a fraudulent transfer lawsuit pending during the Application Period, including (but not limited to) review and advice regarding settlement and dismissal of the case and tasks relating to closing of the matter. These activities allow the Debtors to function effectively and fulfill their statutory obligations under the Bankruptcy Code. Itemized and detailed descriptions of the work performed with respect to the Rosemont dispute are attached as Appendix 2, Schedule 2, Exhibit X and Appendix 3, Exhibit X.

EXHIBIT Y Sacaton

During the Application Period, Applicant attorneys spent 8.0 hours, for which \$3,360.00 is sought, providing services relating to the Sacaton adversary proceeding, a fraudulent transfer lawsuit pending during the Application Period, including (but not limited to) monitoring and evaluating pleadings filed in the bankruptcy case of the ultimate transferee of the Sacaton property. These activities allow the Debtors to function effectively and fulfill their

statutory obligations under the Bankruptcy Code. Itemized and detailed descriptions of the work performed with respect to the Sacaton dispute are attached as Appendix 2, Schedule 2, Exhibit Y and Appendix 3, Exhibit Y.

EXPENSES

42. It has been necessary for Applicant to incur and pay in advance substantial out-of-pocket expenses in connection with its representation of the Debtors in this case during the Application Period. Careful records of those expenditures have been maintained and the expenses incurred are categorized in Appendix 2, Schedule 3 to this Application. The expenses incurred totaled \$494,560.05.

43. Photocopies made at Applicant's offices are charged at \$0.15 per copy, substantially less than the maximum amount permitted by local rule. The use of email was significant in this case. Service of pleadings were served via email, whenever possible under the circumstances, to save money. Faxes were used on those occasions when no email or physical address was known or when no email address was known and it was necessary to quickly transmit information. Due to cost and timing, it is not only faster but often more economical to fax a few pages rather than to send it by courier or overnight, or for Applicant to communicate it orally. Applicant charges a flat rate of \$1.00 per page for local faxes and \$1.25 per page for long-distance faxes with no additional charge for telephone or long-distance charges. These charges are the same for non-debtor clients. All courier, telephone, delivery and outside service providers charges have been billed at actual cost, in accordance with The United States Bankruptcy Court for the Southern District of Texas, Procedures for Complex Chapter 11 Cases.

STATEMENT REGARDING RATES

44. The rates reflected in this Application are commensurate with the rates charged by Applicant's billing professionals to other clients.

45. Applicant, like most law firms, has provided services to certain of its large institutional clients, primarily in non-bankruptcy transactional matters, at rates lower than premium, and in some cases standard, rates on a case by case basis, but such rates have been provided to clients providing large amounts of repeat business year after year and for which collection risks are negligible. In contrast, working for a bankruptcy estate is in the nature of an hourly "contingency fee" because the risk of non-payment (or at least reduced payment) is typically always present.

CONCLUSION

46. The services rendered by Applicant during the Application Period were instrumental to the stabilizing of the Debtors' operations and businesses, the administration of the Debtors' estate, and Debtors' reorganization efforts. Applicant submits that substantial positive results have been obtained on behalf of the Debtors.

47. Applicant is requesting (i) approval of compensation for 31,765.8 hours of professional services furnished as attorneys to the Debtors, in the total amount of \$12,481,058.25 incurred during the Application Period; (ii) approval of reimbursement of actual out-of-pocket expenses during the Application Period in the total amount of \$494,560.05; and (iii) such other and further relief to which Applicant may be entitled.

Respectfully Submitted this 28th day of August 2009.

BAKER BOTTS L.L.P.

/s/ James R. Prince _____

Jack L. Kinzie

State Bar No. 11492130

James R. Prince

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STATEMENT OF CERTIFYING PROFESSIONAL

The undersigned hereby certifies that he has read the foregoing Twelfth Interim Application of Baker Botts L.L.P., Counsel to Debtors, for Allowance and Payment of Compensation for Services Rendered and Reimbursement of Expenses Incurred for the Period March 1, 2009 through June 30, 2009 and to the best of his knowledge, information and belief, formed after reasonable inquiry, the compensation and expense reimbursement sought is (a) in conformity with the Southern District of Texas, United States Bankruptcy Court Local Rule 2016, effective October 17, 2005, and (b) are billed at rates, in accordance with practices, no less favorable than those customarily employed by the Applicant in similar matters and generally accepted by the Applicant's clients.

/s/ Omar J. Alaniz

Omar J. Alaniz