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PHILIP J. CARSTENS, JR  
LUKINS & ANNIS, P.S.  
1600 Washington Trust Financial Center  
717 W Sprague Ave.  
Spokane, WA 99201-0466  
Tel: (509) 455-9555  
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LUKINS &  
ANNIS

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF NEVADA

In Re:  
PEGASUS GOLD CORPORATION, a  
Nevada corporation; and related entities,  
  
Debtors.

CASE NOS. BK-N-98-30088-GWZ  
through BK-N-98-30105-GWZ  
(Jointly Administered)

Date of Hearing: 5-17-99  
Time of Hearing: 10:00 a.m.  
Set By:

COMPENSATION APPLICATION  
FOR PHILIP J CARSTENS, JR

FIRST COMPENSATION APPLICATION FOR PHILIP J. CARSTENS, JR.

Philip J. Carstens, Jr. ("PJC") submits its first application ("Fee Application") for an award of compensation for professional fees and reimbursable expenses incurred from the period from August 6, 1998, date of Order Approving Retention and Employment of Lukins & Annis, Special Counsel, through and including February 5, 1999, (the "Application Period") and respectfully represents:

1. On January 16, 1998, the above-named Debtors filed a petition for relief under Chapter 11, Title 11, of the United States Code in the above mentioned Court.

COMPENSATION APPLICATION FOR PHILIP  
J CARSTENS, JR: 1

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1           2.     On August 6, 1998, an Order Approving the Retention and Employment  
2 of Lukins & Annis, Special Counsel, was entered by the above mentioned Court.

3           3.     PJC, as special counsel for Debtors, hereby applies for the payment of  
4 compensation for services rendered and to be rendered and reimbursement of  
5 expenses actually incurred and to be incurred through the final application period.

6           4.     For the period August 6, 1998 to date, PJC seeks the payment of  
7 compensation in the amount of \$10,923.70 representing 100% of the fees for services  
8 and advanced costs rendered from entry of August 6, 1998, through March 15, 1999.  
9 Members of PJC expended a total of 60.50 hours in the provision of services to the  
10 Debtors during this period.

11           5.     Copies of the billing statements produced by PJC for Debtors for services  
12 rendered and a summary of the reimbursable expenses incurred during this period are  
13 attached hereto as Exhibit "A."

14           6.     PJC performed services for Debtors involving employment law issues  
15 (set specifics set forth in Exhibit "A"). As provided in the Order, PJC was employed  
16 by Debtors as special counsel to represent the Debtors and to continue such  
17 representation for the benefit of the estate. PJC submits that the services provided by  
18 it are in no way duplicative services provided by any other law firm employed in this  
19 matter.  
20  
21  
22

23           7.     PJC has served a copy of this Application on the office of the U.S.  
24 Trustee and the Debtors and as set forth in the Affidavit of Mailing.  
25  
26

COMPENSATION APPLICATION FOR PHILIP  
J CARSTENS, JR: 2

LAW OFFICES  
LUKINS & ANNIS  
A PROFESSIONAL SERVICE CORPORATION  
1600 WASHINGTON TRUST FINANCIAL CENTER  
717 W SPRAGUE AVE.  
SPOKANE, WA 99201-0466  
(509) 455-9555

1 8. Additionally, PJC acknowledges that the interim payment of  
2 compensation and reimbursement of expenses sought in this application does  
3 constitute a request for final allowances of such compensation and the reimbursement  
4 of expenses. Accordingly, the estimated final compensation and reimbursement is  
5 \$3,150.00 for finalization of his representation.  
6

7 9. Finally, PJC requests payment for emergency pre-authorization fees and  
8 costs in the amount of \$957.50 for fees and \$14.38 for costs for services performed  
9 post petition, but prior to Order Authorizing Employment. These fees are based upon  
10 emergency legal issues presented post petition by the debtor.  
11

12 10. Neither PJC nor any member of Lukins & Annis, P.S. has any agreement  
13 or understanding of any kind, to divide, pay over, or share with any other person,  
14 except as amount the members of Lukins & Annis, P.S., any portion of the fees or  
15 expenses to be awarded pursuant to this fee application.  
16

17 THEREFORE, PJC respectfully requests that the Debtors pay, as final  
18 compensation for services and expenses the sum of \$15,045.58.  
19

20 DATED this 25th day of March, 1999.

21 LUKINS & ANNIS, P.S.

22 By 

23 PHILIP J. CARSTENS, JR.  
24 LUKINS & ANNIS, P.S.  
25 1600 WASHINGTON TRUST BLDG  
26 717 W SPRAGUE AVE  
SPOKANE WA 99201

COMPENSATION APPLICATION FOR PHILIP  
J CARSTENS, JR: 3

EXHIBIT "A" - FIRST APPLICATION FOR FEES/COSTS

# LUKINS & ANNIS

A PROFESSIONAL SERVICE CORPORATION

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COEUR D'ALENE, IDAHO 83814-2971

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MOSES LAKE, WASHINGTON 98837-2458

PHONE (509) 765-9555

March 26, 1999

ATTN GEORGE LYTLE  
PEGASUS GOLD CORPORATION  
601 WEST FIRST AVENUE SUITE 1500  
SPOKANE WA 99204-0332

Client/Matter # 011257-00003  
Invoice # 108882  
Billing Attorney P J Carstens, Jr.

Regarding: CORPORATE

Balance Due From Previous Statement	\$	1,030.12
Balance Forward	\$	1,030.12
New Charges:		
Professional Services Rendered Through 03/15/99	\$	10,825.00
Costs Advanced Through 03/15/99	\$	<u>40.46</u>
Total New Charges	\$	10,865.46
Balance Due	\$	<u>11,895.58</u>

Payment Due Upon Receipt

1 1/4% Late Charge Imposed On All Invoices Not Paid Within 30 Days of Invoice Date

Please detach top portion and return with remittance.

This statement may not include expense items such as telephone, filing fees, etc. for which we have not yet been billed