

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

40-7580

In re:) Chapter 11)
)
FANSTEEL INC., et al.,¹) Case No. 02-10109 (JJF)
) (Jointly Administered))
)
Debtors.)

Objection Deadline: August 13, 2003 at 4:00 p.m. E.T.
Hearing Date: TBD (Only if objections are timely filed)

**NOTICE OF APPLICATION FOR ORDER UNDER BANKRUPTCY CODE
SECTIONS 327(a) AND 328, FED. R. BANKR. P. 2014, AND
DEL.BANKR.LR 2014-1 AUTHORIZING EMPLOYMENT AND
RETENTION OF KERR, IRVINE, RHODES & ABLES, P.C. AS SPECIAL
OKLAHOMA COUNSEL FOR DEBTORS AND DEBTORS IN POSSESSION**

TO: ALL PARTIES REQUIRED TO RECEIVE NOTICE PURSUANT TO
DEL. BANKR. LR 2002-1.

The captioned debtors and debtors in possession (collectively, the "Debtors") hereby submit this application for entry of an order pursuant to 11 U.S.C. §§ 327(a) and 328(a), Fed. R. Bankr. P. 2014 and Del.Bankr.LR 2014-1 of the United States Bankruptcy Court for the District of Delaware authorizing the employment and retention of Kerr, Irvine, Rhodes & Ables, P.C. as Debtors' Special Oklahoma Counsel.

Objections or responses, if any, to the Application, must be filed with the United States Bankruptcy Court for the District of Delaware, 824 Market Street, Wilmington, Delaware 19801, on or before August 13, 2003 at 4:00 p.m. Eastern Time. At the same time, you must also serve a copy of the response or objection upon co-counsel for the Debtors: (i) Pachulski,

¹The Debtors are the following entities: Fansteel Inc., Fansteel Holdings, Inc., Custom Technologies Corp., Escast, Inc., Wellman Dynamics Corp., Washington Mfg. Co., Phoenix Aerospace Corp., and American Sintered Technologies, Inc.

BKRPOI

Stang, Ziehl, Young, Jones & Weintraub P.C., 919 North Market Street, Suite 1600, P.O. Box 8705, Wilmington, Delaware 19899-8705 (courier 19801) (Attn: Laura Davis Jones, Esq.); (ii) Schulte Roth & Zabel LLP, 919 Third Avenue, New York, New York 10022 (Attn: Jeffrey S. Sabin, Esq.); (iii) the Office of the United States Trustee, 844 King Street, Suite 2313, Lockbox 35, Wilmington, Delaware 19801 (Attn: David Buchbinder, Esq.), and (iv) Kerr, Irvine, Rhodes & Ables, P.C., 201 Robert S. Kerr Avenue, Suite 600, Oklahoma City, OK 73102-4267 (Attn: J. Angela Ables).

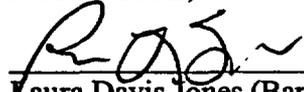
IF YOU FAIL TO RESPOND IN ACCORDANCE WITH THIS NOTICE, THE COURT MAY GRANT THE RELIEF REQUESTED BY THE APPLICATION WITHOUT FURTHER NOTICE OR HEARING.

Dated: July 24, 2003

SCHULTE ROTH & ZABEL LLP
Jeffrey S. Sabin (JSS-7600)
Lawrence V. Gelber (LVG-9384)
Michael R. Mitchell (MRM-9279)
919 Third Avenue
New York, NY 10022
Telephone: (212) 756-2000
Facsimile: (212) 593-5955

and

PACHULSKI, STANG, ZIEHL, YOUNG & JONES P.C.



Laura Davis Jones (Bar No. 2436)
Rosalie L. Spelman (Bar No. 4153)
919 North Market Street, 16th Floor
P.O. Box 8705
Wilmington, DE 19899-8705 (Courier 19801)
Telephone: (302) 652-4100
Facsimile: (302) 652-4400

Co-Counsel for Debtors and
Debtors-in-Possession

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:) Chapter 11
FANSTEEL INC., *et al.*,¹) Case No. 02-10109 (JJF)
) (Jointly Administered)
)
Debtor.)

APPLICATION FOR ORDER UNDER BANKRUPTCY CODE SECTIONS 327(a) AND 328, FED. R. BANKR. P. 2014, AND DEL.BANKR.LR 2014-1 AUTHORIZING EMPLOYMENT AND RETENTION OF KERR, IRVINE, RHODES & ABLES, P.C. AS SPECIAL OKLAHOMA COUNSEL FOR DEBTORS AND DEBTORS IN POSSESSION

The above-captioned debtors and debtors-in-possession (collectively the "Debtors") hereby submit this Application For Order Under Bankruptcy Code Sections 327(a) And 328(a), Fed. R. Bankr. P. 2014 and Del.Bankr.LR 2014-1 Authorizing The Employment And Retention of Kerr, Irvine, Rhodes & Ables, P.C. as Special Oklahoma Counsel for Debtors and Debtors in Possession so that Kerr, Irvine, Rhodes & Ables ("Kerr") may assist the Debtors with matters relating to plan confirmation, Oklahoma law and the remediation of the Muskogee, Oklahoma site (the "Application").² In support of this Application, Debtors rely on the Affidavit of J. Angela Ables (the "Ables Affidavit") and represent as follows:

Jurisdiction

1. This Court has jurisdiction over this matter under 28 U.S.C. §§ 157 and 1334. Venue is proper under 28 U.S.C. §§ 1408 and 1409. This is a core proceeding as defined in 28 U.S.C. § 157(b)(2). The statutory predicates for relief are 11 U.S.C. §§ 327(a) and 328(a), Fed. R. Bankr. P. 2014 and Local Rule of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware 2014-1 (the "Local Rules").

¹ The Debtors are the following entities: Fansteel Inc.; Fansteel Holdings, Inc., Custom Technologies Corp., Escast, Inc., Wellman Dynamics Corp., Washington Mfg. Co., Phoenix Aerospace Corp., and American Sintered Technologies, Inc.
² The Debtors' Plan and disclosure statement are being filed contemporaneously with this Application.

Background

2. On January 15, 2002 (the "Petition Date"), the Debtors filed with this Court voluntary petitions for relief under 11 U.S.C. §§ 101 et seq. (the "Bankruptcy Code"). The Debtors continue to operate their businesses and manage their affairs as debtors-in-possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No trustee or examiner has been appointed in any of the Debtors' chapter 11 cases ("Cases"). A creditors' committee ("Committee") was appointed in these Cases on January 28, 2002.

Debtors' Structure and Operations

3. Fansteel Inc. ("Fansteel") and the other eight Debtors (each a direct or indirect wholly-owned subsidiary of Fansteel) have been engaged for over 70 years in the business of manufacturing and marketing specialty metal products with today's operations being conducted at ten manufacturing facilities (five of which are owned by Fansteel) in nine states. Collectively, the Debtors have approximately 962 employees, substantially all on a full time basis, including approximately 365 employees that are working under collective bargaining agreements with four different unions. Each Debtor is operated separately, with separate employees, separate operations and separately maintained books and records.

Debtors' Efforts to Achieve a Consensual Plan of Reorganization

4. The Debtors have engaged the state of Oklahoma ("Oklahoma") and other significant creditor constituents, such as the Nuclear Regulatory Commission ("NRC"), the Environmental Protection Agency ("EPA"), the Pension Benefit Guaranty Corporation, the Department of the Navy, the various regulatory agencies in Illinois, Kentucky, Iowa and the Committee, among others, in a series of meetings and teleconferences intended to finalize a term sheet that would form the basis for the Debtors' consensual joint plan of reorganization ("Plan"). On or about May 22, 2003, the Debtors and certain of these parties executed a plan term sheet

(the "Plan Term Sheet") that forms the basis for the Plan. Included in the Plan Term Sheet is a description of the amended decommissioning plan ("ADP") for the Muskogee, Oklahoma site (the "Muskogee Site").³

5. Although Oklahoma was ultimately not a party to the Plan Term Sheet, the Debtors, at all times, continued to involve Oklahoma in the negotiation process and made considerable efforts to ensure that Oklahoma received any and all information necessary to evaluate the Plan. At no time during this process did Oklahoma indicate that it required additional information, or that the Plan Term Sheet was unacceptable to Oklahoma. In addition, despite the Debtors' good faith efforts, counsel for the Oklahoma Department of Environmental Quality did not respond to the Debtors' repeated inquiries as to whether Oklahoma desired to become a signatory to the Plan Term Sheet. On or about June 16, 2003, Oklahoma, prematurely and without advance notice to the Debtors, filed a "Request for Hearing" with the NRC with respect to the ADP.

6. As a result, the Debtors met with Oklahoma's representatives on June 19, 2003 and, following intense negotiations, indicated their willingness to accede to virtually all of Oklahoma's requests. The one concession that the Debtors refused to make, however, was to grant Oklahoma a second priority lien on all of the assets of reorganized Fansteel. The Debtors believed that, as a matter of law, Oklahoma was not entitled to such a lien, and that, as a matter of sound business practice, granting such a lien would impair the Debtors' ability to procure exit financing and post-reorganization trade credit. Notwithstanding the Debtors' many significant concessions, Oklahoma ultimately refused to withdraw its Request for Hearing and, to date, has not agreed to the terms and conditions of the Plan Term Sheet. Fansteel has therefore, with the

³ Although Fansteel has discontinued its operations at the Muskogee Site, it has remained at all times in compliance with its NRC license, and has maintained the Muskogee Site in a manner that protects the health and safety of its employees and the public.

support of the Committee, the EPA, and the NRC, elected to proceed with its Plan absent the immediate consent from Oklahoma but with the expectation that the Plan will ultimately adequately address the concerns of Oklahoma with respect to the remediation of the Muskogee Site.

7. Consequently, the Debtors now seek to retain Kerr as their special Oklahoma counsel because the Debtors believe that Kerr's broad base of skill and expertise in the areas of environmental, administrative and local law (as described below), as well as familiarity with local concerns, will be an invaluable resource to the Debtors in the negotiation and facilitation of a consensus with Oklahoma regarding the ADP, and accordingly, the Plan.

Kerr Profile

8. Kerr provides broad based experience and expertise in dealing with environmental issues under federal, state and local laws and regulations, and representing clients in environmental related administration and judicial proceedings. In addition, Kerr has extensive experience working with federal, state and local boards, agencies and commissions in environmental permit proceedings, and private civil disputes involving environmental issues, concerns and strategies. Kerr practices before significant state agencies, including the Oklahoma Corporation Commission, the Oklahoma Tax Commission, the Oklahoma State Department of Health, the Oklahoma Department of Environmental Quality, the Oklahoma Department of Agriculture, the Oklahoma Water Resources Board and the Oklahoma Insurance Department.

Committee Support

9. The Committee has reviewed this Application and fully supports the Application as contemplated by the Debtors.

Relief Requested

10. By this Application, the Debtors seek entry of an order, pursuant to sections 327(a) and 328(a) of the Bankruptcy Code, Bankruptcy Rule 2014, and Local Rule 2014-1 to employ and retain Kerr as special Oklahoma counsel with regard to matters relating to plan confirmation, Oklahoma law and the remediation of the Muskogee Site.

11. Subject to Court approval in accordance with Section 330(a) of the Bankruptcy Code, compensation will be payable to Kerr on an hourly basis, plus reimbursement of actual, necessary expenses and other charges incurred by Kerr. The principal attorneys presently designated to represent Debtors and their current standard hourly rates are:

- | | | |
|----|------------------|----------------|
| a. | J. Angela Ables | \$200 per hour |
| b. | James R. Barnett | \$175 per hour |
| c. | R. Thomas Lay | \$175 per hour |

12. The hourly rates set forth above are subject to periodic adjustments to reflect economic and other conditions. Other attorneys and paralegals may from time to time serve the Debtors in connection with the matters herein described.

13. The hourly rates set forth above are Kerr's standard hourly rates for work of this nature. These rates are set at a level designed to fairly compensate Kerr for the work of its attorneys and paralegals and to cover fixed and routine overhead expenses. It is Kerr's policy to charge its clients in all areas of practice for all other expenses incurred in connection with the client's case. The expenses charged to clients include, among other things, telephone and telecopier toll and other charges, mail and express mail charges, special or hand delivery charges, document retrieval, photocopying charges, charges for mailing supplies (including, without limitation, envelopes and labels) provided by Kerr to outside copying services for use in mass mailings, travel expenses, expenses for "working meals," computerized research,

transcription costs, as well as non-ordinary overhead expenses such as secretarial and other overtime. Kerr will charge Debtors for these expenses in a manner and at rates consistent with charges made generally to Kerr's other clients. Kerr believes that it is more fair to charge these expenses to the clients incurring them than to increase the hourly rates and spread the expenses among all clients.

14. The professional services that Kerr will render to Debtors include, but shall not be limited to, the following:

- a. to provide legal advice with respect to current and potential environmental administrative actions and suits;
- b. to appear in Court and/or before administrative proceeding to protect and/or advocate the interests of Debtors; and
- c. to perform all other legal services for Debtors which may be necessary and proper in these proceedings.

Disinterestedness of Professional

15. The Debtors have numerous shareholders, creditors and other parties with whom they maintain business relationships. Kerr has conducted a conflicts check and due inquiry regarding its relations with the Debtors, their significant creditors, any other material party-in-interest, their respective attorneys and accountants, and the Office of the United States Trustee to determine whether it has any conflicts or other relationships that might affect its retention. Among other things, Kerr researched its client files and records that contain information retained under its normal retention policies. In connection with this check, Kerr obtained from the Debtors and/or their representatives the names of individuals and entities that may be such parties-in-interest in these Cases. To the best of the Debtors' knowledge, information and belief, insofar as the Debtors have been able to ascertain after due inquiry,

neither Kerr nor any professional employee of Kerr has any connection with or holds any interest adverse to the Debtors, their significant creditors, any other party-in-interest, their respective attorneys or accountants, the Office of the United States Trustee or any person employed in the Office of the United States Trustee, in the matters for which Kerr is proposed to be retained except as otherwise disclosed in the Ables Affidavit.

16. To the best of the Debtors' knowledge, Kerr is a "disinterested person", as such term is defined in section 101(14) of the Bankruptcy Code and as required under section 327(a) of the Bankruptcy Code. The Ables Affidavit was executed on behalf of Kerr in accordance with section 327(a) of the Bankruptcy Code and Bankruptcy Rule 2014. The Debtors' knowledge, information, and belief regarding certain of the matters set forth in this Application are based on, and are made in reliance upon, the Kerr Affidavit.

17. The Debtors submit that the appointment of Kerr on the terms and conditions set forth herein is in the best interests of the Debtors, their creditors and all parties-in-interest.

Notice

18. Notice of this Motion has been given to those parties entitled to notice under Delaware Local Rule 2002-1(b) and those persons who have requested notice pursuant to Rule 2002 of the Federal Rules of Bankruptcy Procedure. The Debtors submit that, in light of the nature of the relief requested, no other or further notice need be given.

WHEREFORE, Debtors request entry of an order substantially in the form attached hereto, authorizing Debtors to employ and retain Kerr as special Oklahoma counsel, and granting such other and further relief as this Court deems is just and proper.

Dated: July 24, 2003

SCHULTE, ROTH & ZABEL LLP
Jeffrey S. Sabin (JSS 7600)
Larry Gelber (LG-9384)
Michael R. Mitchell (MRM 9279)
919 Third Avenue
New York, New York 10022
Telephone: (212) 756-2000
Facsimile: (212) 593-5955

and

**PACHULSKI, STANG, ZIEHL, YOUNG, JONES
& WEINTRAUB P.C.**



Laura Davis Jones (Bar No. 2436)
Rosalie L. Spelman (Bar No. 4153)
919 North Market Street, 16th Floor
P.O. Box 8705
Wilmington, Delaware 19899-8705 (Courier 19801)
Telephone: (302) 652-4100
Facsimile: (302) 652-4400

Counsel for Fansteel Inc., et al.

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

In re: FANSTEEL INC., <i>et al.</i> , ⁴ Debtor.	} } }	Chapter 11 Case No. 02-10109 (JJF) (Jointly Administered)
--	-------------	---

**STATEMENT UNDER RULE 2016 OF THE
FEDERAL RULES OF BANKRUPTCY PROCEDURE
AND SECTION 329 OF THE BANKRUPTCY CODE**

1. Kerr, Irvine, Rhodes & Ables, P.C. ("Kerr"), pursuant to Federal Rule of Bankruptcy Procedure 2016 (the "Bankruptcy Rules") and section 329 of Title 11 of the United States Code (the "Bankruptcy Code"), states that the undersigned is special Oklahoma counsel for the above-captioned debtors and debtors in possession (collectively, the "Debtors").

2. Compensation agreed to be paid by the Debtors to Kerr is for legal services to be rendered in connection with these cases. The Debtors have agreed to pay Kerr for the legal services rendered or to be rendered by its various attorneys and paralegals in connection with these cases on Debtors' behalf. The Debtors also have agreed to reimburse Kerr for its actual and necessary expenses incurred in connection with these cases.

3. Kerr will seek approval of payment of compensation upon the filing of appropriate applications for allowance of interim or final compensation pursuant to Sections 330 and 331 of the Bankruptcy Code, the Bankruptcy Rules, and this Court's Local Rules and Orders.

4. The services to be rendered include all those services set forth in the Application For Order Under Bankruptcy Code Sections 327(a) And 328(a), Fed. R. Bankr. P.

⁴ The Debtors are the following entities: Fansteel Inc.; Fansteel Holdings, Inc., Custom Technologies Corp., Escast, Inc., Wellman Dynamics Corp., Washington Mfg. Co., Phoenix Aerospace Corp., and American Sintered Technologies, Inc.

2014 and Del.Bankr.LR 2014-1 Authorizing The Employment And Retention of Kerr, Irvine,
Rhodes & Ables, P.C. as Special Oklahoma Counsel for Debtors and Debtors in Possession

5. Pursuant to Bankruptcy Code Section 327(a), Kerr further states that it has not shared, nor agreed to share (a) any compensation it has received or may receive with another party or person, other than with the shareholders, counsel and associates of Kerr, or (b) any compensation another person or party has received or may received.

Dated: July 24, 2003

KERR, IRVINE, RHODES & ABLES, P.C.



J. Angela Ables (OK Bar No. 112)
James R. Barrett (OK Bar No. 0547)
R. Thomas Lay (OK Bar No. 5297)
201 Robert S. Kerr Ave., Suite 600
Oklahoma City, Oklahoma 73102
Telephone (405) 272-92211
Facsimile (405) 236-3121

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:) Chapter 11
)
FANSTEEL INC., *et al.*,¹) Case No. 02-10109 (JJF)
) (Jointly Administered)
)
Debtor.

State of Oklahoma)
) ss
County of Oklahoma)

AFFIDAVIT OF J. ANGELA ABLES

J. ANGELA ABLES, ESQUIRE, being duly sworn, deposes and says:

1. I am a shareholder in the firm of Kerr, Irvine, Rhodes & Ables, P.C. ("Kerr" or the "Firm"), located at 201 Robert S. Kerr Avenue, Suite 600, Oklahoma City, Oklahoma 73102 and have been duly admitted to practice law in the State of Oklahoma, the United States District Courts for the Western, Eastern and Northern Districts of Oklahoma, the United States Court of Appeals for the Tenth Circuit and the United States Supreme Court. This affidavit is submitted in support of the Application For Order Under Bankruptcy Code Sections 327(a) And 328(a), Fed. R. Bankr. P. 2014 and Del.Bankr.LR 2014-1 Authorizing The Employment And Retention of Kerr, Irvine, Rhodes & Ables, P.C. as Special Oklahoma Counsel for Debtors and Debtors in Possession (the "Debtors").

2. Neither I, the Firm, nor any shareholder, counsel or associate thereof, insofar as I have been able to ascertain, has any connection with Debtors, their creditors or any

¹ The Debtors are the following entities: Fansteel Inc.; Fansteel Holdings, Inc., Custom Technologies Corp., Escast, Inc., Wellman Dynamics Corp., Washington Mfg. Co., Phoenix Aerospace Corp., and American Sintered Technologies, Inc.

other parties in interest herein, or its respective attorneys except as set forth below. Kerr has a broad client list and may, at some time, have represented one or more creditors of or parties interested in Debtors' bankruptcy estates. I am not aware of any such representation. If I discover that such an adverse representation exists, I will disclose such representation to the Court and all parties receiving copies of this affidavit in a supplementary affidavit.

3. The Debtors have retained various professionals during the pendency of these cases. The following is a non-exclusive list of professionals the Debtors have retained after the Petition Date: Pachulski, Stang, Ziehl, Young & Jones P.C., Schulte, Roth & Zabel LLP, Winston & Strawn, Lincoln Partners L.L.C., and Ernst & Young, LLP. Kerr has previously worked with several of these professionals on numerous representations, at times representing the same parties and at other times representing parties with similar interests or parties with adverse interests. However, the Firm is not representing any of these entities in these cases and will not represent any members of these entities in any claims that they may have collectively or individually against the Debtors.

4. Kerr is a "disinterested person" as that term is defined in section 101(14) of the Bankruptcy Code in that said firm, its shareholders, counsel and associates:

- (a) are not creditors, equity security holders or insiders of Debtors;
- (b) are not and were not investment bankers for any outstanding security of Debtors;
- (c) have not been, within three (3) years before the date of the filing of Debtors' chapter 11 petitions, (i) investment bankers for a security of Debtors, or (ii) an attorney

for such an investment banker in connection with the offer, sale, or issuance of a security of Debtors; and

(d) are not and were not within two (2) years before the date of the filing of Debtors' chapter 11 petitions, a director, officer, or employee of Debtors or of any investment banker as specified in subparagraph (b) or (c) of this paragraph.

5. It is our understanding that there exist intercompany claims among Debtors. In light of such claims, and the fact that Kerr will be representing all Debtors, there could potentially be a conflict of interest arising out of our representations at some time. If such a conflict arises, Kerr will not represent Debtors in connection with such issues and will ask each Debtor to retain separate and independent counsel in order to avoid the possibility of conflicts of interest. Accordingly, Kerr will not represent any Debtors in connection with any dispute related to such intercompany claims.

6. This Firm and certain of its shareholders, counsel and associates may have in the past represented, and may currently represent and likely in the future will represent creditors of Debtors in connection with matters unrelated to Debtors and these cases. At this time, Kerr is not aware of such representations. The Firm will be in a position to identify with specificity any such persons or entities when lists of all creditors of Debtors have been reviewed and will make any further disclosures as may be appropriate at that time. The Firm intends to apply for compensation for professional services rendered in connection with this chapter 11 case subject to approval of this Court and compliance with applicable provisions of the Bankruptcy Code, on an hourly basis, plus reimbursement of actual, necessary expenses and

other charges incurred by the Firm. The principal attorneys and paralegals designated to represent Debtors and their current standard hourly rates are:

- | | | |
|----|------------------|----------------|
| a. | J. Angela Ables | \$200 per hour |
| b. | James R. Barnett | \$175 per hour |
| c. | R. Thomas Lay | \$175 per hour |

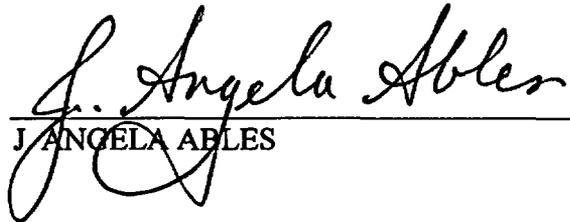
The hourly rates set forth above are subject to periodic adjustments to reflect economic and other conditions. Other attorneys and paralegals may from time to time serve Debtors in connection with the matters herein described.

7. The hourly rates set forth above are the Firm's standard hourly rates for work of this nature. These rates are set at a level designed to fairly compensate the Firm for the work of its attorneys and paralegals and to cover fixed and routine overhead expenses. It is the Firm's policy to charge its clients in all areas of practice for all other expenses incurred in connection with the client's case. The expenses charged to clients include, among other things, telephone and telecopier toll and other charges, mail and express mail charges, special or hand delivery charges, document retrieval, photocopying charges, charges for mailing supplies (including, without limitation, envelopes and labels) provided by the Firm to outside copying services for use in mass mailings, travel expenses, expenses for "working meals," computerized research, transcription costs, as well as non-ordinary overhead expenses such as secretarial and other overtime. The Firm will charge Debtors for these expenses in a manner and at rates consistent with charges made generally to the Firm's other clients. The Firm believes that it is

more fair to charge these expenses to the clients incurring them than to increase the hourly rates and spread the expenses among all clients.

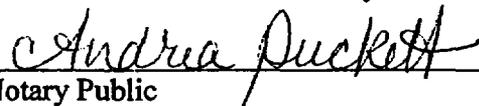
8. No promises have been received by the Firm nor by any shareholder, counsel or associate thereof as to compensation in connection with these cases other than in accordance with the provisions of the Bankruptcy Code. The Firm has no agreement with any other entity to share with such entity any compensation received by the Firm in connection with these chapter 11 cases, except among the shareholders, of counsel and associates of the Firm.

Dated: July 18, 2003



J. ANGELA ABLES

SWORN TO AND SUBSCRIBED before
me this 18th day of July, 2003



Notary Public

My Commission Expires: My Commission Expires Jan. 8, 2005.

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:) Chapter 11
FANSTEEL INC., *et al.*,¹) Case No. 02-10109 (JJF)
) (Jointly Administered)
)
Debtor.)

ORDER UNDER BANKRUPTCY CODE SECTIONS 327(A) AND 328(A), FED. R. BANKR. P. 2014 AND DEL.BANKR.LR 2014-1 AUTHORIZING THE EMPLOYMENT AND RETENTION OF KERR, IRVINE, RHODES & ABLES, P.C. AS SPECIAL OKLAHOMA COUNSEL FOR DEBTORS AND DEBTORS IN POSSESSION

Upon the application of the above-captioned debtors and debtors in possession (collectively, the "Debtors"), for Application For Order Under Bankruptcy Code Sections 327(a) And 328(a), Fed. R. Bankr. P. 2014 and Del.Bankr.LR 2014-1 Authorizing The Employment And Retention of Kerr, Irvine, Rhodes & Ables, P.C. as Special Oklahoma Counsel for Debtors and Debtors in Possession (the "Application"), and upon the affidavit of J. Angela Ables, Esquire, a shareholder of Kerr, Irvine, Rhodes & Ables, P.C. ("Kerr"), in support thereof (the "Ables Affidavit"); and the Court being satisfied based on the representations made in the Application and in the Kerr Affidavit that said attorneys represent no interest adverse to Debtors' estates with respect to the matters upon which they are to be engaged, that they are disinterested persons as that term is defined under Section 101(14) of the Bankruptcy Code, as modified by Section 1107(b) of the Bankruptcy Code, and that their employment is necessary and would be in the best interests of Debtors' estates, and after due deliberation and sufficient cause appearing therefor, it is

ORDERED that the Application is granted; and it is further

¹ The Debtors are the following entities: Fansteel Inc.; Fansteel Holdings, Inc., Custom Technologies Corp., Escast, Inc., Wellman Dynamics Corp., Washington Mfg. Co., Phoenix Aerospace Corp., and American Sintered Technologies, Inc.

ORDERED that in accordance with sections 327(a) and 328(a) of the Bankruptcy Code, Fed. R. Bankr. P. 2014 and Del.Bankr.LR 2014-1, the Debtors are authorized to employ and retain Kerr as special Oklahoma counsel on the terms set forth in the Application and the Ables Affidavit; and it is further

ORDERED that Kerr shall be entitled to allowance of compensation and reimbursement of expenses, upon the filing and approval of interim and final applications pursuant to the Federal Rules of Bankruptcy Procedure, the Local Rules of this Court and such other orders as this Court may direct.

Dated: July __, 2003

The Honorable Joseph J. Farnan, Jr.
United States District Court Judge