

**UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF MISSOURI**

In Re:)	In Proceedings Under Chapter 11
)	
FARMLAND INDUSTRIES, INC., et al.,)	Case No. 02-50557
)	Joint Administration
Debtors.)	

**MOTION FOR ORDER AUTHORIZING AMENDMENT TO
ASSET PURCHASE AGREEMENT WITH COFFEYVILLE RESOURCES, LLC
AND REQUEST FOR EXPEDITED HEARING**

The above-captioned Debtors and Debtors-in-Possession (collectively, the “Debtors”), by and through their attorneys, for their Motion For Order Authorizing Amendment to Asset Purchase Agreement with Coffeyville Resources, LLC and Request for Expedited Hearing (the “Motion”), respectfully state as follows:

BACKGROUND

1. On May 31, 2002, (the “Petition Date”), Farmland Industries, Inc. (“Farmland”) and certain affiliated companies filed voluntary petitions in this Court for relief under Chapter 11 of the United States Bankruptcy Code.
2. Debtors continue to operate their business and manage their properties as debtors in possession pursuant to Sections 1107(a) and 1108 of the Bankruptcy Code. The Debtors cases are being jointly administered.
3. Among its assets and business operations, Farmland owns and operates petroleum refinery and fertilizer complex in Coffeyville, Kansas, related pipeline and its Phillipsburg Terminal (the “Coffeyville Assets”).
4. On November 14, 2004, the Court entered an Order approving the sale of the Coffeyville Assets, and the assignment of certain executory contracts and unexpired leases,

to Coffeyville Resources, LLC (“Buyer”), pursuant to the terms of an Asset Purchase And Sale Agreement (the “APA”).

5. Since the entry of the Sale Order, the Debtors and Buyer have engaged in negotiations regarding, among other things, the EPA’s demands for financial assurances regarding the Debtors’ and the Buyer’s environmental obligations related to the Coffeyville Assets. These negotiations have culminated in (i) a Letter Agreement between Farmland and Buyer, dated as of January 30, 2004 (the “Letter Agreement”), referenced on the attached summary of exhibits as Exhibit A; and (ii) an agreement between the Debtors and the EPA in the form of a Stipulation and Agreed Order resolving the EPA’s objections to the Debtors’ Plan (the “EPA Stipulation”). A copy of the Letter Agreement is available upon request.

6. The parties have agreed to extend the Closing Date deadline through February 29, 2004, and to enter into a Transition Services Agreement with respect to the Coffeyville Assets.

7. Pursuant to this Motion the Debtors ask for authority to amend the APA, as set forth in the Letter Agreement, and by separate motion request entry of the EPA Stipulation.

8. As set forth in more detail in the Debtors’ Motion For Entry of Stipulation and Agreed Order Approving Compromise with the United States Environmental Protection Agency and Coffeyville Resources, LLC, and Request for Expedited Hearing, filed concurrently herewith, Farmland shall establish financial assurance in the amount of \$15,000,000 as Temporary Financial Assurance (i) in order to secure the completion of the RCRA corrective action interim measures required under Administrative Orders on Consent (Docket Nos. 3008h

Orders RCRA VII-H-94-0020, and VII-H-95-011), and (ii) for future corrective action at the Coffeyville Assets.

9. In lieu of the Buyer's obligation to pay the Earn-Out Amount under Section 3.6 of the APA, the APA shall be amended to include a mechanism for the Buyer to replace Debtors' Temporary Financial Assurance, when certain conditions are met.

10. The APA shall be further amended to modify Schedules 2.6 (Assumed Contracts) and 5.17 (Intellectual Property), on the terms and in the manner set forth in the Letter Agreement.

RELIEF REQUESTED

11. By this Motion, the Debtors seek authority to amend the APA, in accordance with the Letter Agreement, pursuant to Sections 105(a) and 363 of the Bankruptcy Code.

12. The Debtors believe that the proposed amendment to the APA is an appropriate exercise of the Debtor's business judgment and is in the best interests of the Debtors' estates, creditors and parties in interest.

REQUEST FOR EXPEDITED HEARING

13. This Motion is being filed under exigent circumstances. The Buyer has agreed to extend the closing deadline to February 29, 2004, but the parties are targeting a closing on or before February 13, 2004. Accordingly, the Debtors request that the required notice of their Motion be shortened so that it may be heard by the Court at the next docket hearing scheduled for February 10, 2004. This Court has the power to shorten notice pursuant to Federal Rule of Bankruptcy Procedure 9006(c).

WHEREFORE, for the foregoing reasons, Debtors respectfully request that this Court hear this Motion on an expedited basis on February 10, 2004, and enter an order authorizing Debtors to amend the APA in accordance with the Letter Agreement, and for such other and further relief as the Court deems just and proper.

Respectfully submitted,

FARMLAND INDUSTRIES, INC., ET AL.

By: /s/ Laurence M. Frazen

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SUMMARY OF EXHIBITS

The following exhibits in reference to the Motion For Order Authorizing Amendment to Asset Purchase Agreement with Coffeyville Resources, LLC and Request for Expedited Hearing is available upon request:

Exhibit A Letter Agreement dated January 30, 2004

Respectfully submitted,

FARMLAND INDUSTRIES, INC., ET AL.

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