UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF MISSOURI

In Re:	)	**In Proceedings Under Chapter 11**
	)	
FARMLAND INDUSTRIES, INC.,	)	**Case No. 02-50557-JWV**
	)	**Joint Administration**
Debtor.	)	

MOTION OF THE CITY OF COFFEYVILLE
FOR RELIEF FROM AUTOMATIC STAY

COMES NOW, The City of Coffeyville, Kansas ("Coffeyville") and moves the Court pursuant to 11 U.S.C. §362(d) and Fed.R.Bank.P. 4001 for an order modifying the automatic stay permitting Coffeyville to make a claim on the surety bond securing the debtor's indebtedness to Coffeyville. In support of this motion, Coffeyville alleges and states as follows:

1. Farmland Industries, Inc. (the "Debtor") filed its voluntary petition for relief under Chapter 11 of the United States Bankruptcy Code on May 31, 2002.

2. The Debtor built a Petroleum Coke Gasification to Nitrogen Fertilizer Facility, together with the Associated BOC Air Separation Unit and other related facilities in Coffeyville, Kansas (collectively referred to as the "Coffeyville Facility").

3. The Coffeyville Facility was built within Coffeyville's Certified Electric Service Territory. In order to provide electrical service to the Coffeyville Facility, Coffeyville was required to construct additional electric transmission facilities. To finance the construction of these additional electric transmission facilities, as of December 1, 1999, Coffeyville issued $9,500,000 City of Coffeyville, Kansas, Taxable Electric Utility System Revenue Bonds, Series 1999B (Farmland Industries Project) (the "Bonds"). The Bonds were issued in accordance with the terms of that certain Trust Indenture entered into between

Coffeyville and Intrust Bank, N.A. dated as of March 31, 2002 (the "Trust Indenture"). A true and correct copy of the Trust Indenture is attached hereto and incorporated herein as Exhibit "A".

4. Coffeyville and the Debtor entered into a certain contract titled "Petroleum to Coke Gasification to Nitrogen Fertilizer Facility Electric Service Agreement" dated March 31, 1999 (the "Electric Service Agreement") which provided the terms under which Coffeyville would provide and the Debtor would purchase from Coffeyville electric service for the Coffeyville Facility. A true and correct copy of the Electric Service Agreement (without exhibits) is attached hereto and incorporated herein as Exhibit "B".

5. The Electric Service Agreement required the Debtor to provide Coffeyville with a payment security bond sufficient to cover the aggregate charges assessed to Coffeyville by Central and South West Services, Inc. ("CSWS"), as more specifically described in Article II, section 3.1(a) of the Electric Service Agreement; and in the amount of $12,000,000 to cover the aggregate debt service payment to retire the Bonds, to cover the aggregate of the minimum Transmission Wheeling Charges, and a utility deposit equal to two months estimated electric billing, as more specifically described in Article II, section 3.1(b) of the Electric Service Agreement.

6. To satisfy the payment security bond requirement described in Article II, section 3.1(b) of the Electric Service Agreement, the Debtor, as the principal, and Safeco Insurance Company of America ("Safeco"), as surety, issued to Coffeyville a certain "Utility Payment Guarantee Bond" dated as of March 31, 1999, in the sum of $12,000,000 (the "Payment Bond"). A true and correct copy of the Payment Bond is attached hereto and incorporated by reference herein as Exhibit "C".

7. At the time of the filing of the Debtor's bankruptcy petition, the Debtor was indebted to Coffeyville for electric service provided under the terms of the Electric Service Agreement for the month of May, 2002 in the sum of $1,343,303.20 plus late charges under the Electric Service Agreement at the rate of 10% of the past due balance (the "Defaulted Payments"). A summary of the amounts due for these electrical services are attached hereto and incorporated herein as Exhibit "D" hereto. Coffeyville has previously filed its proof of claim herein which includes the above described sum.

8. The Debtor is currently in default of the terms of the Electric Service Agreement by its failure to make the Defaulted payments when due. Pursuant to section 3.2 of the Electric Service Agreement, Coffeyville is entitled to send the Debtor notice of this default (the "Default Notice") and if such default is not cured within 10 days of the Debtor's receipt of such notice, the remaining amounts due under the Electric Service Agreement and the Bonds shall become immediately due and payable and Coffeyville is entitled to make demand on Safeco on the Payment Bond for said sums.

9. Coffeyville is currently prevented from sending the Default Notice by the automatic stay herein. Coffeyville is entitled to relief from the automatic stay to send the Default Notice, to make demand on the Payment Bond and to take such actions as may be necessary against Safeco to collect the sums due under the Payment Bond.

WHEREFORE, Coffeyville prays that the Court enter an order granting Coffeyville relief from the automatic stay herein to permit Coffeyville to send the Default Notice to the Debtor, to make demand on the Payment Bond and to take such actions as may be necessary against Safeco to collect the sums due under the Payment Bond.

Respectfully submitted,

/s/ Samuel P. Logan

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and accurate copy of the foregoing was served via electronic filing upon all parties equipped to receive electronic notice and mailed postage prepaid on this 28th day of May, 2003 to:

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/s/ Samuel P. Logan
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SUMMARY OF EXHIBITS AND CERTIFICATE OF SERVICE

The following exhibits in reference to the Motion of the City of Coffeyville for Relief from Automatic Stay filed are available upon request.

A. Trust Indenture (82 pages)

B. Electric Service Agreement Dated March 31, 1999 (28 pages)

C. Utility Payment Guarantee Bond (5 pages)

D. Summary of amounts due for electrical services (3 pages)

Copies of the above attachments were mailed to:

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Respectfully submitted,

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