

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF MISSISSIPPI

US BANKRUPTCY COURT
SOUTHERN DISTRICT OF MS
FILED

2003 JUN -3 PM 1:46

In re:

MISSISSIPPI CHEMICAL
CORPORATION, *et al.*¹

Debtors.

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CHARLENE J. KENNEDY
CLERK

CASE NO. 03-02984 WEE
Chapter 11
Jointly Administered

NOTICE OF PRELIMINARY AND FINAL HEARING

PLEASE TAKE NOTICE that the following motions and applications (collectively, the "Motions") have been filed by the Debtors herein and are attached hereto:

1. Amended Motion for Order Deeming Utilities Adequately Protected under § 366;
2. Motion for Authorization to (i) Pay Certain Pre-Petition Employee Obligations and (ii) Continue Pension, Benefit and Other Employee Plans and Policies (also attached are Orders partially granting relief hereunder, with the balance of the motion to be considered by the Court as set forth hereinbelow);
3. Application to Retain and Employ Gordian Group, L.L.C. as Restructuring and Financial Advisors for Debtors and Debtors-in-Possession;
4. Application for Authority to Retain and Employ Certain Professionals Utilized in the Ordinary Course of Business; and
5. Amended Motion Pursuant to § 365 for Approval of Assumption of Executory Contracts (copies of the contacts made subject of the motion are not attached thereto but will be provided upon request made to undersigned counsel for the Debtors).

A **Preliminary Hearing** on the Motions shall be held on **Tuesday, July 1, 2003, at 2:30 p.m.** in the **Bankruptcy Courtroom, Room 526, James O. Eastland Courthouse, 245 East Capitol Street, Jackson, Mississippi**. If no objections are timely filed thereto, the Court may consider and enter orders granting the Motions at that time. No evidence will be presented at the Preliminary Hearing. If any timely objection is filed to any Motion, a **Final Hearing** shall take place on **Wednesday, July 2, 2003, at 9:30 a.m.**, and if needed, on **Thursday, July 3, 2003, at 9:30 a.m.** in the **Bankruptcy Courtroom, Room 526, James O. Eastland Courthouse, 245 East Capitol Street, Jackson, Mississippi**.

¹ The Debtors are the following entities: Mississippi Chemical Corporation; Mississippi Nitrogen, Inc.; MissChem Nitrogen, L.L.C.; Mississippi Chemical Company, L.P.; Mississippi Chemical Management Company; Mississippi Phosphates Corporation; Mississippi Potash, Inc.; Eddy Potash, Inc.; Triad Nitrogen, L.L.C.; and Melamine Chemicals, Inc.

Any objection to any of the Motions shall be filed with the Clerk of Court (mailing address: P.O. Box 2448, Jackson, MS 39225-2448; physical address: 200 East Capitol Street, Suite 710, AmSouth Bank Building, Jackson, MS 39201) so as to be stamped "FILED" by 4:00 p.m. Central Time on Friday, June 27, 2003, ("Objection Deadline") and served on the following persons by such Objection Deadline: (a) Counsel for the Debtors, James W. O'Mara and Douglas C. Noble, Phelps Dunbar LLP, Suite 500 SkyTel Centre North, 200 South Lamar Street, Jackson, Mississippi 39201 or Post Office Box 23066, Jackson, Mississippi 39225-3066; (b) Counsel for Harris Bank, James E. Spiotto, Chapman and Cutler, 111 W. Monroe Street, Chicago, Illinois 60603 and Stephen W. Rosenblatt, Butler, Snow, O'Mara, Stevens, Post Office Box 22567, Jackson, MS 39225-2567; (c) Counsel for Unofficial Committee of Bondholders, Anthony Princi and Thomas L. Kent, Orrick, Herrington & Sutcliffe, 666 Fifth Avenue, New York, New York 10103 and Craig M. Geno, Harris, Geno & Dunbar, P.A., P.O. Box 3919, Jackson, Mississippi 39207-3919; and (d) Office of the United States Trustee, Ronald H. McAlpin, Assistant United States Trustee, Suite 706, 100 W. Capitol Street, Jackson, Mississippi 39269.

THIS the 3rd day of June, 2003.

Respectfully submitted,

MISSISSIPPI CHEMICAL CORPORATION, et al.

By: DM

James W. O'Mara, MS Bar No. 3929

Douglas C. Noble, MS Bar No. 10526

Christopher R. Maddux, MS Bar No. 100501

PHELPS DUNBAR LLP

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William D. Young

VINSON & ELKINS L.L.P.

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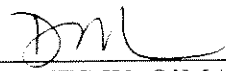
Facsimile: (214) 220-7716

CERTIFICATE OF SERVICE

I do hereby certify that I have this date caused to be served *via* electronic mail and/or U.S. Mail, postage prepaid, a true and correct copy of the above and foregoing pleading to all parties listed below. The Debtors' Noticing Agent, BMC, shall likewise serve a copy of same to all parties on the Shortened Service List and to Schedule "I" attached hereto.

James E. Spiotto Chapman and Cutler 111 W. Monroe Street Chicago, Illinois 60603	Stephen W. Rosenblatt Butler, Snow, O'Mara, Stevens & Cannada Post Office Box 22567 Jackson, MS 39225-2567
Anthony Princi Thomas L. Kent Orrick, Herrington & Sutcliffe LLP 666 Fifth Avenue New York, New York 10103	Craig M. Geno Harris, Geno & Dunbar P.O. Box 3919 Jackson, MS 39207-3919
Ronald H. McAlpin Assistant U.S. Trustee Suite 706 100 W. Capitol Street Jackson, Mississippi 39269	

SO CERTIFIED, this the 3rd day of June, 2003.



JAMES W. O'MARA
DOUGLAS C. NOBLE

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF MISSISSIPPI

In re:)	
)	
MISSISSIPPI CHEMICAL)	
CORPORATION, <i>et al.</i> ¹)	CASE NO. 03-02984-WEE
)	Chapter 11
Debtors.)	Jointly Administered
)	

FIRST AMENDED SHORTENED SERVICE LIST FILED MAY 28, 2003

Debtors:	
John M. Flynt Mississippi Chemical Corporation P.O. Box 388 Yazoo City, MS 39194	James W. O'Mara Douglas C. Noble Phelps Dunbar LLP Suite 500, SkyTel Centre North 200 South Lamar Street Post Office Box 23066 Jackson, Mississippi 39225-3066
Alan J. Bogdanow William D. Young Vinson & Elkins L.L.P. 3700 Trammel Crow Center 2001 Ross Avenue Dallas, TX 75201-2975	Peter S. Kaufman Henry F. Owsley Gordian Group, L.L.C. 499 Park Avenue, 5th Floor New York, NY 10022
Bankruptcy Management Corporation Attn: Tinamarie Feil 1330 E. Franklin Ave. El Segundo, CA 90245	

Harris Trust and Savings Bank:	
James E. Spiotto Chapman and Cutler 111 W. Monroe Street Chicago, Illinois 60603	Stephen W. Rosenblatt Butler, Snow, O'Mara, Stevens Post Office Box 22567 Jackson, MS 39225-2567
FTI Consulting Inc. Attn: Robert Paul 333 West Wacker Dr. Ste. 600 Chicago, IL 60606	

¹ The Debtors are the following entities: Mississippi Chemical Corporation; Mississippi Nitrogen, Inc.; MissChem Nitrogen, L.L.C.; Mississippi Chemical Company, L.P.; Mississippi Chemical Management Company; Mississippi Phosphates Corporation; Mississippi Potash, Inc.; Eddy Potash, Inc.; Triad Nitrogen, L.L.C.; and Melamine Chemicals, Inc.

Ad Hoc Committee of Noteholders:	
Anthony Princi Thomas L. Kent Orrick, Herrington & Sutcliffe LLP 666 Fifth Avenue New York, New York 10103	Chanin Capital Partners Attn: Mark Rubin 330 Madison Avenue, 11 th Floor New York, NY 10017
Harris, Geno & Dunbar Attn: Craig Geno P.O. Box 3919 Jackson, MS 39207-3919	

U.S. Trustee:	
Ronald H. McAlpin Assistant U.S. Trustee Suite 706 100 W. Capitol Street Jackson, Mississippi 39269	

Parties Listed on Rule 1007(a) Lists: Mississippi Chemical Corporation	
BANCORPSOUTH BANK ATTN: CORPORATE TRUST PO BOX 1605 JACKSON MS 39215	SMITH EPHRAIM 236 WOODRIDGE DR YAZOO CITY, MS 39194
THE BANK OF NEW YORK TRUST COMPANY OF FLORDIA, NA THE FINANCIAL CENTER 505 NORTH 20 TH STREET, SUITE 750 BIRMINGHAM, AL 35203 FAX: 205-328-7169	AVAYA INC P O BOX 5332 NEW YORK, NY 10087-5332
VANGUARD GROUP P O BOX 2600 VALLEY FORGE, PA 19482-2600	IKON OFFICE SOLUTIONS SOUTHEAST DISTRICT P O BOX 532530 ATLANTA, GA 30353-2530
BLUE CROSS BLUE SHIELD OF MS INC PO BOX 1043 JACKSON, MS 39215-1043	VERTEX TAX TECHNOLOGY ENTERPRISES LLC P O BOX 905735 CHARLOTTE, NC 28290-5735
A T AND T P O BOX 9001307 LOUISVILLE, KY 40290-1307	JACKSON PAULINE D 1812 GRAND AVE YAZOO CITY, MS 39194
NATURE CONSERVANCY 6400 LAKEOVER RD SUITE C JACKSON, MS 39213	IOS CAPITAL P.O. BOX 740540 ATLANTA, GA 30374-0540
METALLURGICAL AND MATERIALS TECH, INC 11701 SUNBELT COURT P O BOX 77110 BATON ROUGE, LA 70879-7110	BAKER DISTRIBUTING 930 HIGH STREET JACKSON, MS 39202
CLAYTON CHARLES 463 WILDWOOD TERRACE EXT YAZOO CITY, 39194	SHPS INC EBS A-R LOCKBOX 94893 LOUISVILLE, KY 40294
ELEVON INC FILE NO. 73028 P.O. BOX 60000 SAN FRANCISCO, CA 94160-3028	UNITED PARCEL SERVICE LOCKBOX 577 CAROL STREAM, IL 60132-0577
BETTER MARKETING KONNECTION, INC P O BOX 7537 JACKSON, MS 39284	VOPAK U.S.A. 3909 OUTLAND RD. MEMPHIS, TN 38118-6323
RIA 33317 TREASURY CENTER CHICAGO, IL 60694-3300	GRANTHAM POOLE IBM BUILDING 6360 I-55 NORTH STE 101 JACKSON, MS 39211
Mississippi Nitrogen, Inc.	
FARMLAND MISSCHEM LIMITED P O BAG 38 COUVA POST OFFICE POINT LISAS, TR	

MissChem Nitrogen, L.L.C.	
CN P O BOX 530164 ATLANTA, GA 30353-0164	V R C COMPANY P. O. BOX 250 BRUNSWICK, TN 38014-0250
BARECO P. O. BOX 10312 140 EAST MAIN STREET(USA) ROCK HILL, SC 29730	PUBLIC SERVICE COMMISSION P O BOX 660 YAZOO CITY, MS 39194-0660
MARTIN MARIETTA BASIC PRODUCTS MAGNESIA SPECIALTIES DIVISION P O BOX 15470 BALTIMORE, MD 21220-0470	FORMOSA PLASTICS CORPORATION USA 9 PEACH TREE HILL ROAD LIVINGSTON, NJ 07039-5702
G E BETZ INC P O BOX 846046 DALLAS, TX 75284-6046	HARCROS CHEMICALS 1030 WHOLESALE ROW BOX 8278 JACKSON, MS 39284-8278
MARLEY COOLING TOWER P O BOX 308 WALKER, LA 70785	MAYFIELD OILS INC 1970 JERRY CLOWER BLVD YAZOO CITY, MS 39194-9026
ATLAS COPCO 46 SCHOOL ROAD VOORHEESVILLE, NY 12186-9698	CERTIFIED LABORATORIES P O BOX 38 FLORA, MS 39071-0000
GRESON TECHNICAL SALES AND SERVICE INC P O BOX 192 BEAUMONT, TX 77704-0192	FEDERAL CONTAINER CORPORATION P O BOX 877298 4935 TIMBER CREEK DRIVE HOUSTON, TX 77287
PRESSURE PRODUCTS 900 LOUIS DRIVE WARMINSTER, PA 81974	CRDU P.O. BOX 4301 JACKSON, MS 39296-4301
AWF INC 4940 TIMBER CREEK HOUSTON, TX 77017	MARLEY COOLING TOWER COMPANY P O BOX 99038 CHICAGO, IL 60693
SECURITY SUPPORT SERVICES P O BOX 2633 JACKSON, MS 39207	NEWSOM P O BOX 768 YAZOO CITY, MS 39194
Mississippi Chemical Company, L.P.	
CONTINENTAL NIT 12955 COURTHOUSE BLVD ROSEMOUNT, MN 55068	SOUTHTOW P O BOX 1000 DEPARTMENT 124 MEMPHIS, TN 38148-0124
CN P O BOX 530164 ATLANTA, GA 30353-0164	CSXT P O BOX 532652 ATLANTA, GA 30353-2652
UP P O BOX 502453 SAINT LOUIS, MO 63150-2453	BRUCEOAK P O BOX 17880 NORTH LITTLE ROCK, AR
ACBL 23078 NETWORK PLACE CHICAGO, IL 60673-1230	LONGSTRA P O BOX 2146 PASCAGOULA, MS 39563
VBGPLANT P. O. Box 51 VICKSBURG, MS 39181	LIQUID TRANSPORT INC PO BOX 1331 OAK GROVE, LA 71263
AMERICAN COMMERCIAL BARGE LINE LLC 23078 NETWORK PLACE CHICAGO, IL 60673-1230	BABIN 13511 VIVIAN ROAD GONZALES, LA 70737
LIQUIDTR P. O. Box 1331 OAK GROVE, LA 71263	AMERICAN PLANT FOOD CORP P O BOX 584 GALENA PARK, TX 77547-0000
OAKLEY LOUISIANA INC 11210 DOUG ATTAWAY DR SHREVEPORT, LA 71115	TERRAL 10100 HWY 65 SOUTH LAKE PROVIDENCE, LA 71254-0000
Kirby P. O. Box 200788 Houston, TX 77216-0788	NEWSOM P O BOX 768 YAZOO CITY, MS 39194
CNR L.P. BOX 78740 MILWAUKEE, WI 53278-0740	FARMLAND IND-KANSAS CITY KS 6833 GRIFFIN ROAD KANSAS CITY, KS 66109
Mississippi Chemical Management Company	
MFA INCORPORATED 201 RAY YOUNG DRIVE COLUMBIA, MO 65201	BOOT STORE P O BOX 3098 WEST MONROE, LA 71294-0000

SPARKS COMPANIES INC 775 RIDGE LAKE BLVD SUITE 400 MEMPHIS, TN 38120-9403	OFFICESOURCE INC P O BOX 258 JACKSON, MS 39205-0000
SHIPP, MARY SUE YAZOO COUNTY TAX COLLECTOR Post Office Box 108 Yazoo City, MS 39194	CITY TRUCK & TRAILER PARTS INC 624 HWY 49 SOUTH RICHLAND, MS 39218
WARE, WES 7615 MAGNOLIA BEACH ROAD APT 13D DENHAM SPRINGS, LA 70726	GAINWELL TIRE SERVICE P O BOX 942 YAZOO CITY, MS 39194-0942
WASCOM, MALCOLM JR PO BOX 501 FRANKLINTON, LA 70438,	HILTON JACKSON 1001 E. COUNTY LINE ROAD JACKSON, MS 39211
FLEET PRIDE-JACKSON 533 HWY 49 SOUTH ATTN JASON DUNN RICHLAND, MS 39218	OFFISOURCE INC P O BOX 13709 JACKSON, MS 39236-3709
JACKSON MEDICAL CLINIC 501 MARSHALL ST STE 208 JACKSON, MS 39202	PEYTON MICHAEL D 9715 MYRLEVILLE ROAD BENTONIA, MS 39040-9415
AMERICAN RAILCAR INDUSTRIES C/O US BANK PO BOX 641469 CINCINNATI, OH 45264-1469	CERTIFIED MAP CORP P O BOX 5293 BRANDON, MS 39047
RESCAR INC DEPT 77-3318 CHICAGO, IL 60678-3318	AR SECRETARY OF STATE CORPORATIONS DIVISION STATE CAPITOL BUILDING LITTLE ROCK, AR 72201-1094
HARRELSON, JIM PO BOX 1049 UNION CITY, TN 38281-1049	EXXON MOBIL 1350 KATY FREEWAY HOUSTON, TX 77079
B AND A CHEMICAL COMPANY P. O. BOX 11 CLINTON, MS 39060	ACBL 23078 NETWORK PLACE CHICAGO, IL 60673-1230
Mississippi Phosphates Corporation	
INTERNATIONAL COMMODITIES EXPORT CORPORATION 2975 WESTCHESTER AVENUE Purchase, NY 10577	MARATHON TRANSPORTATION INC 2224 EAGLE BLUFF DRIVE VALRICO, FL 33594
US FUSION P O BOX 69 GONZALES, LA 70737	BAGGETT III INDUSTRIAL CONSTRUCTORS, INC. P O BOX 1683 PASCAGOULA, MS 39568-1683
JAMES CONSTRUCTION GROUP LLC P O BOX 90022 BATON ROUGE, LA 70879	RXPOWER 75 CORPORATE WOODS 10800 FARLEY, SUITE 165 OVERLAND PARK, KS 66210-1412
MANNING TRUCKING 5209 INDUSTRIAL ROAD PASCAGOULA, MS 39581	PIRNIE MALCOLM INC 104 CORPORATE PARK DRIVE WHITE PLAINS, NY 10602-0000
ENGLISH BOILER AND TUBE INC. P O BOX 50218 RICHMOND, VA 23250-0218	PROCESS PUMP REPAIR INC 1438 INDUSTRIAL PARKWAY P O BOX 501 SARALAND, AL 36571
ARRMAZ PRODUCTS 621 SNIVELY AVE WINTERHAVEN, FL 33884-0000	INTER CHEM SOUTHBRIDGE OFFICE PARK 1887 71ST STREET TULSA, OK 74136-3984
MOBIL OIL CORPORATION 3225 GALLOWES ROAD FAIRFAX, VA 22037-0001	CHENEY LIME AND CEMENT COMPANY P O BOX 160 ALLGOOD, AL 35013-0000
TRANSAMMONIA 4211 W. BOY SCOUT BLVD SUITE 600 TAMPA, FL 33607	AMERICAN COMMERCIAL BARGE LINE LLC 23078 NETWORK PLACE CHICAGO, IL 60673-1230
GSE LINING TECHNOLOGY 19103 GUNDLE ROAD HOUSTON, TX 77073	PEPCO 6239 HWY 90 P O BOX 1088 PASCAGOULA, MS 39568-1088
EXXON MOBIL 1350 KATY FREEWAY HOUSTON, TX 77079	PEPCO P O BOX 911649 DALLAS, TX 75391-1649
	ACBL 23078 NETWORK PLACE CHICAGO, IL 60673-1230

Mississippi Potash, Inc.	
XCEL ENERGY P O BOX 9477 MINNEAPOLIS, MN 55484-9477	UHI 1108 W PIERCE STREET CARLSBAD, NM 88220
BNSF P O BOX 847347 DALLAS, TX 75284-7347	LPC PACKAGING P O BOX 600 LODI, CA 95241
NM TAXATION AND REVENUE DEPARTMENT BOX 630 SANTA FE, NM 87509-0630	TURBO SPECIALTIES 4301 N. COUNTY ROAD WEST ODESSA, TX 79764-3942
SABER SUPPLY COMPANY INC P O BOX 936 BECKLEY, WV 25802	INDUSTRIAL ELECTRIC MOTORS INC 838 SOUTH CANYON P O BOX 926 CARLSBAD, NM 88220
LSI LUBRICATION SERVICES LP P O BOX 1319 HOBBS, NM 88241-0000	HIGHLAND MACHINERY P O BOX 215 355 KY RT 114 PRESTONSBURG, KY 41653
UNION HOME AND INDUSTRIAL CORPORATION 1108 W PIERCE STREET CARLSBAD, NM 88220	TITAN PO BOX 1353 LEVELLAND, TX 79336
B AND M MACHINERY COMPANY 7170 COPPERQUEEN EL PASO, TX 79915-1225	EIMCO COAL & MACHINERY - CARLSBAD C/O TRIUNE INC 1602 E GREENE CARLSBAD, NM 88220
JOY MANUFACTURING COMPANY 507 PARK DRIVE CARLSBAD, NM 88220-0000	PLANT SERVICES 4000 8TH AVE NORTH BIRMINGHAM, AL 35222
CHEVRON PHILLIPS CHEMICAL COMPANY LP P O BOX 4910 THE WOODLANDS, TX 77387-4910	RMILLER 230 SOUTH BEMISTON AVENUE SUITE 1230 CLAYTON, MO 63105
LANGSTON COMPANIES INC 1100 N 7TH ST. WEST MEMPHIS, AR 72301	BAKER PROCESS COMPANY 12734 TANNER ROAD HOUSTON, TX 77041-0000
Eddy Potash, Inc.	
XCEL ENERGY P O BOX 9477 MINNEAPOLIS, MN 55484-9477	AIRMASTER EQUIPMENT CORP 3001 KERMIT HIGHWAY ODESSA, TX 79764
PLAINS WELDING SUPPLY INC 522 S MAIN CARLSBAD, NM 88220	QUEEN OIL AND GAS P O BOX 959 CARLSBAD, NM 88221-0959
A C M EQUIPMENT RENTAL AND SALES CO PO BOX 271427 SALT LAKE CITY, UT 84127-1427	UHI 1108 W PIERCE STREET CARLSBAD, NM 88220
GLOBAL COMPUTER SUPPLIES 1050 NORTHBROOK PARKWAY SUWANEE, GA 30174-2930	MOTION INDUSTRIES INC 4000 W COUNTY ROAD ODESSA, TX 79764
FAIRBANKS SCALES 4850 BROADWAY DENVER, CO 80216-0000	CONNELLS OFFICE SUPPLIES 424 NORTH CANAL ST CARLSBAD, NM 88220-5895
MCMASTER CARR SUPPLY CO P O BOX 54960 LOS ANGELES, CA 90054-0000	CARLSBAD AUTO SUPPLY COMPANY 710 SOUTH CANYON STREET CARLSBAD, NM 88220-5563
WAGNER EQUIPMENT P O BOX 2627 HOBBS, NM 88240	HALL MACHINE AND WELDING COMPANY INC 102 108 WEST MERMOD STREET CARLSBAD, NM 88220-6202
FMH MATERIAL HANDLING SOLUTIONS FORMERLY CLARKLIFT OF EL PASO 1054 HAWKINS EL PASO, TX 79915-1186	EASTERN TELECOMMUNICATION SERVICES CO SERVICES COMPANY P O BOX 1947 CLOVIS, NM 88102-1947
WESPORT STEEL AND SUPPLY INC P O DRAWER U CARLSBAD, NM 88221	UNION HOME AND INDUSTRIAL CORPORATION 1108 W PIERCE STREET CARLSBAD, NM 88220
FORREST TIRE COMPANY 414 S CANAL CARLSBAD, NM 88220	UNIVERSAL BOILER WORKS 10125 BOSQUE CIRCLE NW ALBUQUERQUE, NM 87114-0000

Triad Nitrogen, L.L.C.	
XCEL ENERGY P O BOX 9477 MINNEAPOLIS, MN 55484-9477	LANGSTON COMPANIES INC 1100 N 7TH ST. WEST MEMPHIS, AR 72301
BNSF P O BOX 847347 DALLAS, TX 75284-7347	UHI 1108 W PIERCE STREET CARLSBAD, NM 88220
NM TAXATION AND REVENUE DEPARTMENT BOX 630 SANTA FE, NM 87509-0630	LPC PACKAGING P O BOX 600 LODI, CA 95241
SABER SUPPLY COMPANY INC P O BOX 936 BECKLEY, WV 25802	TURBO SPECIALTIES 4301 N. COUNTY ROAD WEST ODESSA, TX 79764-3942
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UNION HOME AND INDUSTRIAL CORPORATION 1108 W PIERCE STREET CARLSBAD, NM 88220	HIGHLAND MACHINERY P O BOX 215 355 KY RT 114 PRESTONSURG, KY 41653
B AND M MACHINERY COMPANY 7170 COPPERQUEEN EL PASO, TX 79915-1225	TITAN PO BOX 1353 LEVELLAND, TX 79336
JOY MANUFACTURING COMPANY 507 PARK DRIVE CARLSBAD, NM 88220-0000	EIMCO COAL & MACHINERY - CARLSBAD C/O TRIUNE INC 1602 E GREENE CARLSBAD, NM 88220
CHEVRON PHILLIPS CHEMICAL COMPANY LP P O BOX 4910 THE WOODLANDS, TX 77387-4910	PLANT SERVICES 4000 8TH AVE NORTH BIRMINGHAM, AL 35222
BAKER PROCESS COMPANY 12734 TANNER ROAD HOUSTON, TX 77041-0000	RMILLER 230 SOUTH BEMISTON AVENUE SUITE 1230 CLAYTON, MO 63105
Melamine Chemicals, Inc.	
None	

Bondholders/ Shareholder:

Indenture Trustee: BancorpSouth Bank Attn: Lisa Neeld /Corporate Trust Post Office Box 1605 Jackson, MS 39215	
IRBs The Bank of New York Trust Company of Florida, N.A. Attn: C. Scott Rearden, Assistant Treasurer The Financial Center 505 North 20th Street, Suite 750 Birmingham, AL 35203	

Governmental Agencies:

Internal Revenue Service Anna Howell, IRS Agent 100 West Capitol St. Stop 15 Jackson, MS 39269	MS State Tax Commission 1577 Springridge Road Raymond, MS 39154-9602
Taxation and Revenue Department P.O. Box 25127 Santa Fe, NM 87504-5127	LA Dept. of Revenue P.O. Box 3440 Baton Rouge, LA 70821-3440
U.S. Attorney Dunn Lampton 188 East Capitol Street, Ste. 500 Jackson, MS 39201	US SEC 3475 Lenox Road NE, Ste. 1000 Atlanta, GA 30326-1232

Parties Requesting Notice:	
Spencer Gilbert Wise Carter Law Firm Post Office Box 651 Jackson, Mississippi 39205 Counsel for MS Worker's Compensation Self-insurer Guaranty Fund	Lawrence Bass Holme Roberts & Owen 1700 Lincoln, Suite 4100 Denver, CO 80203
Arthur F. Jernigan, Jr. W. Roberts Jones Watson & Jernigan Post Office Box 23546 Jackson, MS 39225-3546	Josef S. Athanas Jim F. Spencer, Jr. Latham & Watkins Sears Tower Suite 5500 Chicago, IL 60606
Alan H. Katz, Esq. 639 Loyola Ave. 26 th Floor New Orleans, LA 70113	Clinton P. Hansen Fagelhaber LLC 55 East Monroe St. 40 th Floor Chicago, IL 60603
T. Glover Roberts Roberts & Grant, P. C. Suite 700 3102 Oak Lawn Avenue Dallas, Texas 75219	David N. Usry 188 E. Capitol St. Ste. 500 Jackson, MS 39201

Respectfully submitted,

MISSISSIPPI CHEMICAL CORPORATION, et al.

By: 

James W. O'Mara, MS Bar No. 3929
Douglas C. Noble, MS Bar No. 10526
Christopher R. Maddux, MS Bar No. 100501

PHELPS DUNBAR LLP

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VINSON & ELKINS L.L.P.
3700 Trammel Crow Center
2001 Ross Avenue
Dallas, TX 75201-2975
Telephone: (214) 220-7700
Facsimile: (214) 220-7716

CERTIFICATE OF SERVICE

I do hereby certify that I have this date sent, a true and correct copy of the above and foregoing pleading to all parties listed below *via* electronic mail. The Debtors' Noticing Agent, BMC, shall hereafter serve a copy of same to all parties on the Shortened Service List set forth above.

James E. Spiotto Chapman and Cutler 111 W. Monroe Street Chicago, Illinois 60603	Stephen W. Rosenblatt Butler, Snow, O'Mara, Stevens Post Office Box 22567 Jackson, MS 39225-2567
Anthony Princi Thomas L. Kent Orrick, Herrington & Sutcliffe LLP 666 Fifth Avenue New York, New York 10103	Craig Geno Harris, Geno & Dunbar P.O. Box 3919 Jackson, MS 39207-3919
Ronald H. McAlpin Assistant U.S. Trustee Suite 706 100 W. Capitol Street Jackson, Mississippi 39269	

SO CERTIFIED, this the 28 day of May, 2003.



JAMES W. O'MARA
DOUGLAS C. NOBLE

SCHEDULE "1"
UTILITY VENDORS

AllTel PO Box 53053 Atlanta, GA 30353-0533	AT&T Wireless PO Box 8220 Aurora, IL 60572	Cellular South PO Box 519 Meadville, MS 39653
AT&T PO Box 2969 Omaha, NE 68103	BellSouth PO Box 740144 Atlanta, GA 30374	Cox PO Box 61060 New Orleans, LA 70161
Plateau Cellular PO Box 9000 Clovis, NM 88102	PCT Networks 1101 West Pierce Carlsbad, NM 88220	Southwestern Bell PO Box 940012 Dallas, TX 75394
T Speed Broadband Comm, Inc. 1440 Corporate Dr. Irving, TX 75038	Valor Telecom PO Box 1366 Española, NM 87532-1366	Cingular Wireless PO Box 31488 Tampa, FL 33631
AT&T Wireless PO Box 2971 Omaha, NE 68103	Yazoo Valley Electric Power P O Box 8 Yazoo City, MS 39194	Mississippi Valley Gas Box 3377 Jackson, MS 39207-3377
MS Power Company P O Box 4275 Gulfport, MS 39502-4275	Jackson County Port Authority P O Box 70 Pascagoula, MS 39568-0070	Pascagoula Utilities P O Box 908 Pascagoula, MS 39568-0908
Lea County Electric P O Box 1447 Lovington, NM 88260	Xcel Energy P O Box 1261 Amarillo, TX 79120-5000	Peoples Water Service P O Box 230 Donaldsonville, LA 70346

EXECUTORY CONTRACTS

Crescent City Technology, Inc 1615 Poydras St. New Orleans, LA 70112	Peel Consulting, PLLC 140 Chapel Lane Madison, MS 39110	Marley Cooling Tower P.O. Box 808 Walker, LA 70785
Knighthawk Engineering (formerly Borsig) 17625 El Camino Real, Suite 412 Houston, TX 77058	Martin Marietta Basic Product Magnesia Specialties Division P.O. Box 15470 Baltimore, MD 21220-0470	Premier Services Corporation 7251 Engle Road Middleburg Heights, OH 44130
Formosa Plastics Corp. 9 Peachtree Hill Road Livingston, NJ 07039-5702	Harcros Chemicals 1030 Wholesale Row Jackson, MS 39284-8278	Corsicana Technologies, Inc. P.O. Box 1898 Corsicana, TX 75151
Bareco Products P.O. Box 10312 140 East Main Street Rock Hill, SC 29730	Cinergy Marketing & Trading, LP (Cinergy) 1100 Louisiana, Suite 4900 Houston, TX 77002	American Citadel Guard, Inc. Post Office Box 77422 Baton Rouge, LA 70879-7422
Entergy Mississippi, Inc. L-ENT-26C 639 Loyola Ave. New Orleans, LA 70113	Southern Heat Exchanger Corp. P.O. Box 1850 Tuscaloosa, AL 35403	K.R. Bories Construction Co. 3300 Oak Street Gautier, MS 39533

ArrMaz Products P.O. Box 198902 Atlanta, GA 30384-8902	V.I.P. International P.O. Box 4147 Baton Rouge, LA 70821-4147	Chevron USA Product Co. A Division of Chevron USA Inc. 575 Market St. Room 330 San Francisco, CA 94105-2856
Cheney Lime and Cement Co. P. O. Box 160 Allgood, AL 35013	Southern Lime Company P.O. Box 182 Calera, AL 35040	English Boiler and Tube, Inc. P.O. Box 50218 Richmond, VA 23250-0218
Akzo Chemicals Inc. 300 S. Riverside Plaza Chicago, IL 60606	DPC Industries, Inc. 3501 2 nd St. SW 87105 Albuquerque, NM 87119	Chevron Phillips Chemical Co. P.O. Box 4910 The Woodlands, TX 77387
LSD Lubrication Services LP P.O. Box 1319 Hobbs, NM 88241	Joy Manufacturing Company P.O. Box 1319 Hobbs, NM 88241	DBT Industries, Inc. P.O. Box 1190 Huntington, UT 84528
Plant Services P.O. Box 1356 Birmingham, AL 35201	Eimco Coal & Machinery 1602 Greene Carlsbad, NM 88220	Harcross Chemicals Inc. P.O. Box 270 St. Gabriel, LA 70776-0270
Formosa Plastics Corp. USA 9 Peachtree Hill Road Livingston, NJ 07039-5702	Lofton Staffing Services 214 South Burnside Ste. 204 Gonzales, LA 70737	Entergy Louisiana, Inc. L-ENT-26C P.O. Box 61000 New Orleans, LA 70161
Borden Chemical, Inc. 180 East Broad St. Columbus, OH 43215-3799		

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF MISSISSIPPI

US BANKRUPTCY COURT
SOUTHERN DISTRICT OF MS
FILED

2003 JUN -3 PM 1:44

CHARLES J. KENNEDY
CLERK

In re:

MISSISSIPPI CHEMICAL
CORPORATION, *et al.*¹

Debtors.

CASE NO. 03-02984 WEE
Chapter 11
Jointly Administered

**AMENDED MOTION FOR ORDER
DEEMING UTILITIES ADEQUATELY PROTECTED UNDER § 366**

COME NOW Mississippi Chemical Corporation, *et al.*, Debtors and debtors-in-possession in these jointly administered reorganization proceedings ("Debtors"), and submit their amended motion for an order deeming the Debtors' utilities adequately protected under § 366 of the Bankruptcy Code ("Motion"). In support of the Motion, the Debtors submit the Affidavit of Charles O. Dunn, President and Chief Executive Officer of Mississippi Chemical Corporation ("Dunn Affidavit") simultaneously filed herewith, and further show as follows:

1. Each of the above-captioned Debtors has filed its voluntary petition under Chapter 11 of the Bankruptcy Code, 11 U.S.C. § 101, *et seq.*
2. The Debtors remain in possession of their property and continue to operate their businesses as debtors-in-possession pursuant to §§ 1107 and 1108. No trustees, examiners or committees have been appointed in these cases.
3. The Court has jurisdiction over this Motion pursuant to 28 U.S.C. § 1334, and this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(A). Venue of these cases is proper in this

¹ The Debtors are the following entities: Mississippi Chemical Corporation; Mississippi Nitrogen, Inc.; MissChem Nitrogen, L.L.C.; Mississippi Chemical Company, L.P.; Mississippi Chemical Management Company; Mississippi Phosphates Corporation; Mississippi Potash, Inc.; Eddy Potash, Inc.; Triad Nitrogen, L.L.C.; and Melamine Chemicals, Inc.

Court pursuant to 28 U.S.C. § 1408. The relief requested in this Motion is sought pursuant to §§ 105, 363 and 366 of the Bankruptcy Code.

4. This Motion has been designated by the Debtors as a First Day Motion and has been approved for expedited consideration by the Court. This Motion was filed contemporaneously with the Debtors' Petitions.

Summary of Operations

5. Mississippi Chemical Corporation ("MCC") was incorporated in Mississippi on May 23, 1994, and is the successor by merger to a business of the same name which was incorporated in Mississippi in September 1948 as the first fertilizer cooperative in the United States. The Debtors' corporate headquarters is located in Yazoo City, Mississippi. The Debtors employ approximately 1,100 persons throughout all of their locations, none of whom are represented by unions.

6. The Debtors operate three strategic business units that offer different products: nitrogen, phosphate and potash. The Debtors produce nitrogen products at their production facilities in Yazoo City, Mississippi, Donaldsonville, Louisiana, and through Farmland MissChem Limited in Point Lisas, The Republic of Trinidad and Tobago ("FMCL"). The Debtors' principal nitrogen products include anhydrous and aqua ammonia; fertilizer-grade ammonium nitrate sold under the trade name Amtrate®; UAN solution sold under the trade name N-Sol 32®; urea synthesis; nitric acid and nitrogen tetroxide. The Debtors recently acquired a melamine crystal production facility located within the Donaldsonville, Louisiana, nitrogen complex, and production is anticipated to begin in June 2003. The Debtors sell their nitrogen products to fertilizer dealers and distributors as well as industrial users located primarily in the

southern region of the United States where the Debtors' facilities are located. The Debtors transport their nitrogen products by barge, rail, pipeline, truck and oceangoing vessels.

7. The Debtors produce diammonium phosphate fertilizer ("DAP") at their facility in Pascagoula, Mississippi. Almost all of the Debtors' DAP sales are for agricultural use, and the majority of its DAP sales are for international markets. Since October 1, 1997, all of the Debtors' export sales of DAP have been made through Phosphate Chemicals Export Association, Inc. ("PhosChem"), a Webb-Pomerene corporation, and all domestic sales of DAP have been made through the Debtors' internal sales staff.

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9. MCC is a publicly held stock corporation traded over the counter under the symbol "MPSI".

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10. In August 1997, Mississippi Phosphate Corporation ("MPC") issued \$14,500,000 in industrial revenue bonds, a portion of which was tax-exempt, to finance the development of a new phosphogypsum disposal facility at its Pascagoula, Mississippi, DAP manufacturing plant. On April 1, 1998, MPC issued \$14,500,000 in tax-exempt industrial revenue bonds (the "1998 IRBs"), the proceeds of which were used to redeem the initial industrial revenue bonds issued in

August 1997. The 1998 IRBs mature on March 1, 2022, and carry a 5.80% fixed rate of interest. The 1998 IRBs may be redeemed at the Debtors' option at a premium from March 1, 2008 to February 28, 2010, and may be redeemed at face value at any time after February 28, 2010, through the maturity date. MCC has guaranteed the obligations under the 1998 IRBs.

11. On November 25, 1997, MCC issued \$200,000,000 of 7.25% Senior Notes due November 15, 2017, pursuant to a \$300,000,000 shelf registration statement filed with the Securities and Exchange Commission. Semiannual interest payments of approximately \$7,250,000 are due on each May 15 and November 15. The holders may elect to have the Senior Notes repaid on November 15, 2007.

12. The Debtors have a secured revolving credit facility with Harris Trust and Savings Bank ("Harris Bank") as administrative agent, totaling approximately \$163,500,000 (reduced from the original \$165,000,000 facility amount due to certain asset sales) (the "Harris Facility"). The Harris Facility, as amended, currently matures on November 10, 2003. The Harris Facility bears interest at rates related to the Prime Rate or Federal Funds Rate. The Debtors had letters of credit outstanding at May 9, 2003, in the amount of \$900,000 (that lower the Debtors' available draw under the Harris Facility) and borrowings outstanding in the amount of \$150,527,155.74. Based on the Debtors' borrowing base calculation as of May 5, 2003, the Debtors had \$11,980,844 available under the Harris Facility.

Current Operations

13. For the nine-month period ended March 31, 2003, the Debtors continued to experience operating losses in each of their operating segments. High natural gas prices caused the Debtors to temporarily idle portions of its nitrogen facilities. The Debtors' nitrogen losses included significant impairments of its long-lived assets at its Donaldsonville, Louisiana facility.

Due to continued negative operating results, the Debtors determined that one of their anhydrous ammonia plants and the assets associated with the prilling section of its urea plant would be idled indefinitely. During the nine-month period ended March 31, 2003, the Debtors' nitrogen net sales increased slightly from the comparable prior year period; however, it was not enough to overcome higher natural gas costs, the primary raw material in the production of anhydrous ammonia. The Debtors' DAP segment operating losses primarily resulted from limited availability of certain raw materials, mainly sulfur and sulfuric acid, and the higher cost of ammonia. This resulted in reduced DAP production tonnage and higher raw material costs. The Debtors' potash segment had reduced export sales due to unfavorable pricing in those markets as well as reduced sales domestically. Each of the Debtors' segments incurred general and administrative expenses and interest charges. During the nine-month period ended March 31, 2003, the Debtors also incurred increased insurance costs, increased costs associated with its refinancing efforts and additional costs associated with reductions in workforce and completion of an early retirement offer.

14. The Debtors' declining performance results over the past five years have been primarily attributable to dramatic increases in, and the volatility of, the price of natural gas (the Debtors' primary raw material), an imbalance in the global supply and demand of fertilizer products, and highly unexpected conditions in the agricultural industry related to low farm commodities prices, farmer planting decisions, and adverse weather. When coupled with an influx of unfairly, low-priced imports into the Debtors' primary trade area, these conditions resulted in a continuing diminution of available working capital and increasing liquidity concerns. The Debtors have been faced with the need to restructure their debt and capital in order

to obtain relief from the continued financial strain imposed by current market conditions and to maintain the viability of their businesses.

Pre-Petition Refinancing and Restructuring Activities

15. The Debtors have spent the last several months negotiating the restructuring of their financial obligations with various parties. In 2002, the Debtors retained Credit Suisse First Boston (“CSFB”) and Gordian Group, LLC (“Gordian”) as financial advisors to assist in the refinancing efforts and to evaluate other financial alternatives. CSFB was initially engaged to assist in exploring financing alternatives prior to the execution of the Harris Facility. After the Debtors entered into the current amendment to the Harris Facility, CSFB was retained with the specific mandate to assist the Debtors in the marketing of the Debtors’ interest in FMCL in accordance with the terms of the Harris Facility.

16. Gordian was initially engaged by the Company in September 2002. Gordian’s services include providing financial advisory services in respect of (i) a potential financial restructuring of the Debtors’ debt obligations, (ii) raising new or replacement capital for the Debtors, (iii) any merger, consolidation, reorganization, recapitalization, joint venture or other business combination or sale of assets of the Debtors or the acquisition of substantially all or a portion of the assets or outstanding securities of another entity, and/or (iv) obtaining debtor-in-possession financing, in one or a series of transactions. Gordian has assisted the Debtors in the evaluation of business plans, determination of debt capacity values, and development of external and internal restructuring plan alternatives.

17. The Debtors’ primary financial restructuring efforts since the execution of the Harris Facility have included (i) negotiating with a private equity fund regarding a restructuring of the Debtors’ capital structure, (ii) negotiating with holders of MCC’s Senior Notes regarding

various restructuring alternatives, (iii) sourcing debtor-in-possession financing from a variety of sources and (iv) actively and continuously marketing MCC's interest in FMCL in accordance with requirements of the Harris Facility. These initiatives have been pursued simultaneously whenever possible, in order to preserve franchise value and provide for a more orderly restructuring process.

18. Notwithstanding the considerable efforts of the Debtors and their professionals and advisors, the Debtors now believe that reorganization under Chapter 11 is the mechanism by which they will best be able to (i) obtain necessary working capital to address their immediate liquidity concerns, (ii) continue to pursue and implement the best strategic alternatives for restructuring their companies, and (iii) maximize the value of their businesses for the benefit of all creditor and equity interests.

Relief Requested

19. In connection with the operation of their businesses, the Debtors obtain electricity, natural gas, water, telephone services and/or similar services through accounts with various utility companies (the "Utility Companies"). The Utility Companies are identified Exhibit "A" attached hereto and incorporated herein by reference.

20. Pursuant to § 366 of the Bankruptcy Code, the Utility Companies may not alter, refuse or discontinue service to a debtor for the first twenty (20) days of a bankruptcy case (the "Stay Period"). Upon expiration of the Stay Period, however, § 366(b) provides that a utility company may (but need not) terminate services if a debtor has not furnished adequate assurance of payment. The Debtors request that the Court continue the Stay Period until such time as this Motion has been finally ruled upon so as to prevent any prejudice to the Debtors in the *interim*.

21. Uninterrupted utility services are essential to ongoing operations and, consequently, to the success of the Debtors' reorganization. The Debtors operations, as described above, simply cannot function without utility services. Should the Utility Companies refuse or discontinue services for even a brief period, operations would be severely disrupted. The impact on business operations, revenue and reorganization efforts would be extremely harmful and would jeopardize the Debtors' reorganization efforts. Accordingly, it is critical that utility services continue uninterrupted.

22. The Debtors believe that substantially all of its Utility Companies will hold no pre-petition claims against the estates, and to the extent that any such claims exist, they will arise only due to the intervening filings of the petitions herein during the middle of a billing or payment cycle. Stated differently, but for the filing of the petitions, the Debtors would have paid all amounts owed to their Utility Companies on a current and timely basis, as always.

23. The Debtors request that the Court obviate the need to make any post-petition deposit or provide any security in accordance with § 366. The Debtors' payment history to their utilities have been good, and in fact in most cases there are and have never been any defaults under any contracts or other arrangement, and the Debtors' going concern value remains sufficient to provide adequate assurance of payment through other means (whether *via* allowed administrative expense claim, application of sufficient pre-petition deposits or otherwise). Thus, security deposits are unnecessary and should not be required of any Debtor. *See Virginia Electric & Power Co. v. Caldor, Inc.*, 117 F.3d 646 (2nd Cir. 1997)(holding same).

24. The Debtors propose that all Utility Companies be permitted, as adequate assurance under § 366, to invoice the Debtors no more frequently than twice monthly, on the 15th and the 30th of each month. The Debtors will then be obligated to pay each invoice within

ten (10) days from receipt thereof, failing in which the Debtors will have a seven (7) day cure period by which to pay the past due amounts and to also provide to the affected Utility Company a deposit sufficient to cover the average cost of service provided by such Utility Company for a period of fourteen (14) days. If the Debtors fail to cure any default in this fashion, the affected Utility Company shall then be free to alter, refuse or discontinue service to the Debtor.

25. Accordingly, the Debtors request that the Court deem all Utility Companies adequately protected under § 366 by adequate assurance of payment through other available means and by implementation of the procedures set forth hereinabove.

WHEREFORE, the Debtors respectfully request that the Court enter an Order granting them the following relief:

- A. Granting the Motion in its entirety;
- B. Deeming all Utilities Companies adequately protected under § 366 as provided herein; and
- C. Granting such other and more general relief as the Court deems just.

[Signatures On Following Page]

Respectfully submitted,

MISSISSIPPI CHEMICAL CORPORATION, *et al.*

By: 

James W. O'Mara, MS Bar No. 3929

Douglas C. Noble, MS Bar No. 10526

Christopher R. Maddux, MS Bar No. 100501

PHELPS DUNBAR LLP

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200 South Lamar Street

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3700 Trammel Crow Center

2001 Ross Avenue

Dallas, TX 75201-2975

Telephone: (214) 220-7700

Facsimile: (214) 220-7716

CERTIFICATE OF SERVICE

I do hereby certify that I have this date mailed *via* electronic mail and/or U.S. Mail, postage prepaid, a true and correct copy of the above and foregoing pleading to all parties listed below. The Debtors' Noticing Agent, BMC, shall likewise serve a copy of same to all parties on the Shortened Service List.

James E. Spiotto Chapman and Cutler 111 W. Monroe Street Chicago, Illinois 60603	Stephen W. Rosenblatt Butler, Snow, O'Mara, Stevens & Cannada Post Office Box 22567 Jackson, MS 39225-2567
Anthony Princi Thomas L. Kent Orrick, Herrington & Sutcliffe LLP 666 Fifth Avenue New York, New York 10103	Craig M. Geno Harris, Geno & Dunbar P.O. Box 3919 Jackson, MS 39207-3919
Ronald H. McAlpin Assistant U.S. Trustee Suite 706 100 W. Capitol Street Jackson, Mississippi 39269	

SO CERTIFIED, this the 3rd day of June, 2003.



JAMES W. O'MARA
DOUGLAS C. NOBLE

EXHIBIT "A"
UTILITY VENDORS

AllTel PO Box 53053 Atlanta, GA 30353-0533	AT&T Wireless PO Box 8220 Aurora, IL 60572	Cellular South PO Box 519 Meadville, MS 39653
AT&T PO Box 2969 Omaha, NE 68103	BellSouth PO Box 740144 Atlanta, GA 30374	Cox PO Box 61060 New Orleans, LA 70161
Plateau Cellular PO Box 9000 Clovis, NM 88102	PCT Networks 1101 West Pierce Carlsbad, NM 88220	Southwestern Bell PO Box 940012 Dallas, TX 75394
T Speed Broadband Comm, Inc. 1440 Corporate Dr. Irving, TX 75038	Valor Telecom PO Box 1366 Española, NM 87532-1366	Cingular Wireless PO Box 31488 Tampa, FL 33631
AT&T Wireless PO Box 2971 Omaha, NE 68103	Yazoo Valley Electric Power P O Box 8 Yazoo City, MS 39194	Mississippi Valley Gas Box 3377 Jackson, MS 39207-3377
MS Power Company P O Box 4275 Gulfport, MS 39502-4275	Jackson County Port Authority P O Box 70 Pascagoula, MS 39568-0070	Pascagoula Utilities P O Box 908 Pascagoula, MS 39568-0908
Lea County Electric P O Box 1447 Lovington, NM 88260	Xcel Energy P O Box 1261 Amarillo, TX 79120-5000	Peoples Water Service P O Box 230 Donaldsonville, LA 70346

IN THE UNITED STATES BANKRUPTCY COURT MAY 16 2003
FOR THE SOUTHERN DISTRICT OF MISSISSIPPI

CHARLENE J. KENNEDY, CLERK
BY _____ DEPUTY

In re:)
)
MISSISSIPPI CHEMICAL)
CORPORATION, *et al.*)
)
Debtors.)
_____)

CASE NO. 03-2984WEE
Chapter 11
Jointly Administered

**MOTION FOR AUTHORITY TO (i) PAY CERTAIN PRE-PETITION EMPLOYEE
OBLIGATIONS and (ii) CONTINUE PENSION, BENEFIT
AND OTHER EMPLOYEE PLANS AND POLICIES**

COME NOW Mississippi Chemical Corporation, *et al.*, Debtors and debtors-in-possession in these jointly administered reorganization proceedings ("Debtors"), and submit their Motion for Authority to (i) Pay Certain Pre-Petition Employee Obligations and (ii) Continue Pension, Benefit and Other Employee Plans and Policies ("Motion"). In support of the Motion, the Debtors submit the Affidavit of Charles O. Dunn, President and Chief Executive Officer of Mississippi Chemical Corporation ("Dunn Affidavit") simultaneously filed herewith, and further show as follows:

1. Each of the above-captioned Debtors has filed its voluntary petition under Chapter 11 of the Bankruptcy Code, 11 U.S.C. § 101, *et seq.*
2. The Debtors remain in possession of their property and continue to operate their businesses as debtors-in-possession pursuant to §§ 1107 and 1108. No trustees, examiners or committees have been appointed in these cases.

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3. The Court has jurisdiction over this Motion pursuant to 28 U.S.C. § 1334, and this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(A). Venue of these cases is proper in this Court pursuant to 28 U.S.C. § 1408. The relief requested in this Motion is sought pursuant to §§ 105(a) and 1107(a).

4. This Motion has been designated by the Debtors as a First Day Motion and has been approved for expedited consideration by the Court. This Motion was filed contemporaneously with their petitions.

I. BACKGROUND

Summary of Operations

5. Mississippi Chemical Corporation ("MCC") was incorporated in Mississippi on May 23, 1994, and is the successor by merger to a business of the same name which was incorporated in Mississippi in September 1948 as the first fertilizer cooperative in the United States. The Debtors' corporate headquarters is located in Yazoo City, Mississippi. The Debtors employ approximately 1,100 persons throughout all of their locations, none of whom are represented by unions.

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products to fertilizer dealers and distributors as well as industrial users located primarily in the southern region of the United States where the Debtors' facilities are located. The Debtors transport their nitrogen products by barge, rail, pipeline, truck and oceangoing vessels.

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Pre-Petition Refinancing and Restructuring Activities

15. The Debtors have spent the last several months negotiating the restructuring of their financial obligations with various parties. In 2002, the Debtors retained Credit Suisse First Boston ("CSFB") and Gordian Group, LLC ("Gordian") as financial advisors to assist in the refinancing efforts and to evaluate other financial alternatives. CSFB was initially engaged to assist in exploring financing alternatives prior to the execution of the Harris Facility. After the Debtors entered into the current amendment to the Harris Facility, CSFB was retained with the specific mandate to assist the Debtors in the marketing of the Debtors' interest in FMCL in accordance with the terms of the Harris Facility.

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whenever possible, in order to preserve franchise value and provide for a more orderly restructuring process.

18. Notwithstanding the considerable efforts of the Debtors and their professionals and advisors, the Debtors now believe that reorganization under Chapter 11 is the mechanism by which they will best be able to (i) obtain necessary working capital to address their immediate liquidity concerns, (ii) continue to pursue and implement the best strategic alternatives for restructuring their companies, and (iii) maximize the value of their businesses for the benefit of all creditor and equity interests.

II. RELIEF REQUESTED

19. The Debtors request that the Court authorize them to pay their pre-petition Wage and Employee Obligations and Severance Plan benefits and to continue their Employee Benefit Plans and their Employee Policies, all of which are defined below. A summary of the Debtors' employee wage and benefit plans is contained on Exhibit "A" attached hereto.

A. Payment of Employee Obligations

1. Unpaid Compensation

20. The Debtors employ an aggregate total of approximately 1,200 employees. The Debtors pay these employees wages, salaries and other compensation in the ordinary course of the Debtors' business.

21. On the Debtors' petition dates, they employed and continue to employ twenty-eight (28) temporary employees, and from time to time the Debtors will hire temporary employees as needed.

22. The Debtors pay their salaried employees on the fifteenth (15th) and the thirtieth (30th) days of each month. The aggregate gross payroll for all salaried employees in these two pay periods is approximately \$865,330.

23. Employees compensated based on hourly wages earned are paid bi-weekly, as are temporary employees. The aggregate gross payroll for all hourly employees, including temporary employees, in each bi-weekly pay periods is approximately \$1,312,202.

24. With respect to the most immediate pay period, the salaried employees are, as stated above, to be paid on May 15, and the hourly employees are to be paid on May 16. Of particular concern are the 111 hourly employees of Mississippi Potash, Inc., all of whom are paid by check and not by direct deposit. Due to the intervening filing of the petitions herein, the relief requested herein is critical to prevent interruption of compensation to these employees.

25. Employees are also entitled to reimbursement of business expenses incurred in connection with travel, telephone, vehicle, seminar and other business and professional activities ("Reimbursable Expenses"). All such expenses are incurred on behalf of the Debtors and in the furtherance of the Debtors' business, and the employees understood at the time they incurred such expenses that they would be timely reimbursed therefor.

26. Pursuant to certain pre-petition policies of the Debtors, their employees are also entitled to compensation for certain holidays, vacation and specific leaves of absence. These items are set forth and explained in Exhibit "B" attached hereto and incorporated herein by reference (the "Employee Policies"). As explained in Exhibit "B", employees receive compensation pursuant to the Employee Policies for such holidays, vacation and leave as eligibility permits, and they also accrue unused vacation days for which they are paid.

27. In addition to the employees, the Debtors also have 13 contract employees, including employees who serve as field representatives responsible for the sale of the Debtors' products in certain parts of the country, as engineers on construction projects in progress, etc. These contract employees are paid on the last day of each month in arrears, which results in these

individuals holding partial pre-petition claims with respect to their next monthly paycheck. The Debtors request that they be authorized to pay these contract employees their monthly paycheck in full on May 31, 2003, in the ordinary course of business so as to prevent undue hardship to these individuals.

28. The Debtors believe that, as of their petition dates, accrued pre-petition wages, salaries, overtime, jury, holiday, vacation and paid leave, as well as Reimbursable Expenses (collectively "Unpaid Compensation"), which accrued during the most recent pay periods (within 90 days prior to the filing of the petitions herein) exist but may remain unpaid. Items of Unpaid Compensation that are due and owing but may be unpaid on the petition dates as a result of the following, among other things:

- a. the filing of the Chapter 11 petitions took place during the regular and customary salary and hourly wage payroll periods;
- b. some payroll checks issued to employees prior to the petition dates may not have been presented for payment or cleared the banking system and, accordingly, have not been honored and paid; and
- c. employees have not yet been paid all of their salaries, wages or other compensation for services previously rendered on behalf of the Debtors.

The request to pay employees in this Motion relates only to Unpaid Compensation owed to those individuals in the above-listed categories who were actively employed on the petition dates and also to those former employees entitled to benefits under the Severance Plan discussed more fully below.

2. Employee Deductions and Benefit Programs

29. In addition to compensation, the Debtors deduct from their employees' paychecks some or all the following items (collectively "Employee Deductions"):

- a. payroll taxes and the employees' portion of FICA taxes;

- b. employee directed contributions for various benefit plans (discussed in detail in subsection II.B., below);
- c. employee directed contributions to 401(k) plans, company matching contributions and 401(k) loan repayments;
- d. legally ordered deductions, such as garnishments, child support and tax levies;
- e. voluntary contributions to charitable foundations; and
- f. voluntary savings deductions.

The Debtors regularly deduct the Employee Deduction amounts from the employees' paychecks and forward them to the appropriate third party recipients. Thus, except for the company matching contributions, these Employee Deductions are trust funds that are not property of the estates the payment of which will prejudice no creditor or interested party herein. The applicable monthly deductions are described on Exhibit "A".

30. The Employee Deductions for the most recent pay periods were or will be withheld by the Debtors as is usually and customarily done. However, due to the commencement of these Chapter 11 cases, some or all of these funds may not yet have been or will be timely forwarded to the appropriate third party recipients.

31. Most of the Debtors' employees rely exclusively on receiving their full compensation as and when due in order to continue to pay their daily living expenses. These employees will face exposure to potentially significant financial and health-related problems if the Debtors are not permitted to pay the Unpaid Compensation and Employee Deductions and thereby ensure that payroll cycles and applicable insurance coverage are not interrupted. If these benefit payments are not timely made, the employees may not be reimbursed for or otherwise have their claims under the applicable policies paid, and certain employees may become

primarily liable for payment of all claims. The possibility for termination of benefits will certainly exist.

32. With respect to those Employee Deductions that the Debtors make at the direction of courts or other governmental authorities, *e.g.* garnishments, the Debtors' failure to continue making such payments will not only subject employees to hardship and potential legal action but may also subject the Debtors to such legal actions for such non-compliance.

33. Furthermore, the Debtors believe that a failure to honor these obligations will severely threaten employee morale and loyalty at a time when their continued dedication and support is critical to the Debtors. The Debtors believe that any uncertainty or anxiety aroused with regard to these matters will be detrimental to the Debtors' ability to successfully begin their reorganization efforts and the Debtors' ability to retain their employees. The avoidance of such threats to the welfare of the Debtors' employees, and therefore to the Debtors' reorganization efforts, can and should be avoided by granting the authority requested herein, and the granting of such relief is clearly in the best interests of the Debtors' estates, their employees and all interested parties.

3. Severance Plan

34. The Debtors also have in place an unemployment benefit policy designed to compensate employees who have been involuntarily terminated due to work force reductions (the "Severance Plan"). The Severance Plan provides for continued compensation, medical coverage and other benefits as more fully described therein. The extent of benefits available to employees thereunder varies due to length of service with the company. In addition, the Debtors entered into severance agreements independent of the Severance Plan (and offsetting any payments which would otherwise have been due under the Severance Plan) with certain individuals only

three (3) of whom have not been paid in full under such agreements (these agreements and the Severance Plan are collectively referred to as the "Severance Arrangements").

35. As of the dates on which the petitions were filed herein, the Debtors have eighty-three (83) former employees receiving payments in an amount described on Exhibit "A" as unemployment benefits under the Severance Plan and three (3) former employees receiving payments in an amount described on Exhibit "A" as severance payments. For the same reasons set forth above, the Debtors believe that it is essential not only to its former employees that their benefits continue to be paid under the Severance Arrangements, but it is also necessary in order to sustain the confidence and morale of the Debtors' current employees and the Debtors' ability to retain them as employees.

36. The reasons for the existence of a pre-petition claim by any former employees should be the same as those identified in ¶ 28, above, and those claims accrued only in the Debtors' most recent pay periods (within 90 days prior to the filing of the petitions herein). To the extent that any pre-petition benefits due former employees under the Severance Plan have not been made as of the filing of the Debtors' petitions herein, the Debtors request the authority to make any such payments.

4. Workers Compensation

37. The Debtors are required by each state in which it has employees to provide workers compensation coverage. In most cases, the Debtors are self-insured with a self-insured retention of \$250,000 per occurrence and coverage for amounts in excess of \$250,000 per occurrence under its insurance policy with American Insurance Group (policy is paid up). Workers compensation claims are handled by a third-party administrator, and each month the Debtors forward to their claims administrator the amount of funds required to meet all claims,

including medical expenses. While the amounts vary in the range of \$75,000-125,000 per month, the average aggregate amount paid by the Debtors for such claims is approximately \$100,000. The Debtors currently have 100 active workers compensation claims.

38. The Debtors request authority to pay all amounts owed to workers compensation claimants as and when due, both pre-petition and post-petition amounts, in the ordinary course of business. Further, the Debtors request the authority to continue payment of such amounts post-petition in order to remain in compliance with applicable laws and to provide these necessary benefits to their employees.

B. Continuation of Employee Benefit Plans, Employee Policies and Severance Plan

39. The Debtors provide certain benefits to their employees that include Pensions, Health and Welfare Plans, Pre-Tax Reimbursement programs and an all-employee Profit Sharing Plan (collectively "Employee Benefit Plans"). All of these Employee Benefit Plans are identified and explained in collective Exhibit "C" attached hereto and incorporated herein by reference.

40. The Debtors have established the Employee Benefit Plans to provide their employees with multiple types of benefits that enable them to have and enjoy medical and dental care; life, accident, disability and other insurance coverage; and benefit from tax free reimbursement for eligible child care and medical costs. Furthermore, the Debtors' employees enjoy retirement benefits through their Pension Plans. The Debtors believe that these benefits are important to the health and welfare of their employees and their families and that continuation of these benefits is equally important to the Debtors' reorganization efforts and the ability to retain their current employees.

41. As stated above with respect to the Employee Obligations, the Debtors believe it necessary to maintain employee morale and loyalty that the Employee Benefit Plans be continued and that the Debtors, if necessary, be permitted to make any pre-petition payments thereunder in order to ensure that they are not interrupted.

42. Furthermore, the Debtors request that they be authorized post-petition to honor and continue in the ordinary course of their businesses (i) the Employee Policies described in Exhibit "B" with respect to holidays, vacation and leaves of absence, including authorizing the Debtors to permit their employees to utilize in the future and in the ordinary course of business all such accrued but unused vacation and other days that existed on the Debtors' petition dates, and (ii) the Severance Arrangements with respect to unemployment benefits provided to terminated former employees, in addition to their request to pay any such pre-petition amounts due employees thereunder.

III. AUTHORITY FOR THE RELIEF REQUESTED

A. §§ 105(a), 363, 507(a) and 1107(a)

43. The Debtors submit that the Court is authorized to grant the relief requested pursuant to § 105(a), which provides in pertinent part that "the court may issue any order, process or judgment that is necessary or appropriate to carry out the provisions of this title." Further, the Debtors aver that § 105(a), in conjunction with § 1107(a), fully permit and authorize the Court to enter such an order approving this Motion.

44. As a fiduciary to the creditors and equity holders of the Debtors' estates, the Debtors are obligated to protect and preserve the value of the estates. *See, e.g., In re Orion Pictures Corp.*, 4 F.3d 1095, 1098 (2d Cir. 1993)(emphasizing best interests of estate); 7 COLLIER ON BANKRUPTCY ¶ 1107.02[4] (15th ed. revised). Each of the estates now before the Court are clearly most valuable as going concerns, and the continued and uninterrupted operation

of the Debtors' businesses is vital to sustaining their value. Ensuring that employees are timely paid and remain on the job is essential to the Debtors' preservation of the value of these estates and their ability to most successfully reorganize in a fashion that is best for all interested parties.

45. The Debtors must have their employees to continue operating. Any threat to their continued employment or to employee morale risks tremendous potential harm to the Debtors' ability to continue or maintain operations at their current levels and without interruption. Therefore, the Debtors believe that immediate payment of these claims, together with continuation of the Debtors' plans and policies accompanying employment, is the most practical and provident mechanism for accomplishing the goals of the Debtors' reorganization.

46. Because the Debtors believe that the majority of the amounts they now seek authority to pay as Employee Obligations are entitled to priority status under § 507(a) and will have to be paid in full in order to confirm a plan of reorganization, the payment of the Unpaid Compensation will only affect the timing and not the amount of employees' claims. Thus, these amounts must be paid in order for the Debtors to confirm a plan. With the exception of approximately 18 employees at management levels (which are subject to separate motion to assume their employment agreements as "Key Employees"), none of the Unpaid Compensation amounts exceed the amounts set forth in § 507(a).

47. Accordingly, payment of the Employee Obligations and continuation of all Employee Benefit Plans and Employee Policies and the Severance Plan are equally vital to the health and welfare of the Debtors' employees and to the Debtors' ability to successfully commence its reorganization without imposing possible immediate and irreparable harm to their valued employees or their estates.

B. Doctrine of Necessity

48. The authority to grant this relief is further based on the Doctrine of Necessity, which has been explained by the Third Circuit and which "teaches no more than, if payment of a claim that arose prior to reorganization is essential to the continued operation of the [business] during the reorganization, payment may be authorized even if it is made out of corpus." *In re Lehigh & New England Ry. Co.*, 657 F.2d 570, 581 (3rd Cir. 1981); *see also In re Sharon Steel Corp.*, 159 B.R. 730, 736 (Bankr. W.D. Penn. 1993)(holding same). Courts have further specifically authorized payment under the Doctrine of Necessity to satisfy pre-petition claims of employees as are being requested herein. In *In re Ionosphere Clubs, Inc.*, 998 B.R. 174 (Bankr. S.D.N.Y. 1989), the employees of Eastern Air Lines were authorized under the Doctrine of Necessity, and with the court's reliance on its powers under § 105(a), to make these type payments in order to retain its employees and to maintain positive employee morale -- both of which factors were deemed critical to the rehabilitation and operation of an operating debtor.

49. Therefore, the Debtors request that the Court exercise its authority under § 105(a) and otherwise to authorize payment of the Employee Obligations and continuation of the Employee Benefit Plans, the Employee Policies and the Severance Plan as relief necessary to enable the Debtors to fulfill their duties as debtors-in-possession and to effectively reorganize under Chapter 11.

50. Additionally, the Debtors request that the Court include in any order granting this Motion authorization for and a directive to the Debtors' banks and financial institutions to process, honor, receive and pay all checks and fund transfer requests made by the Debtors pertaining to the Debtors' payroll and the Employee Obligations set forth herein. The Debtors represent to the Court that adequate funds exist in their accounts to satisfy the Employee Obligations.

IV. NOTICE

51. Notice and Service of this Motion were provided to all parties listed on Schedule 1 attached hereto in the form and manner set forth therein, and the Debtors submit that such notice and service are sufficient under the circumstances.


WHEREFORE, the Debtors respectfully request that the Court enter an Order granting them the following relief:

- A. Approving the Motion in full;
- B. Authorizing the Debtors to pay the Employee Obligations and any pre-petition payments due under their Severance Plan;
- C. Authorizing the Debtors to continue in effect the Employee Benefit Plans, the Employee Policies and the Severance Plan; and
- D. Granting such other authority and relief as is necessary and appropriate.

[Signatures On Following Page]

Respectfully submitted,

MISSISSIPPI CHEMICAL CORPORATION, et al.

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EXHIBIT A

SUMMARY OF EMPLOYEE WAGE AND BENEFIT PROGRAMS

Wage and Employee Benefit Program	Description of Program	Average Monthly Cost	Other Costs
1. Wages and Salaries (includes paid time off) ¹	Regular compensation for employees	\$4,573,764 (total)	
a. Salaried employees (260)	Paid on 15 th and 30 th of each month	\$1,730,660 (total for salaried)	
b. Hourly employees (894) ²	Paid every other Friday	\$2,843,104 (total for hourly)	
c. Contract employees (13)	Paid monthly	\$22,273	
d. Employer portion of FICA and Medicare	Paid with each payroll	\$334,822	
2. Reimbursable Business Expenses	Reimbursement to employees for business expenses, such as travel and professional activities		
3. Deductions ³			
a. Withholding	Payroll taxes and employees' portion of FICA taxes	Amount contained within wages and salaries	
b. Health and Welfare plans	Employer contributions and employee directed contributions to various benefit plans	\$683,861 (total)	
- Life Insurance	100% Employer Paid Fully Insured by The Hartford; Basic & AD&D -- Under 65, 2X Base, Over 65 -- 1.3 X Base; \$2,000/\$1,000 Spouse/Child; Opt Down to 1X Base and receive cash; Accelerated	\$42,074.93	

¹ See Exhibit "B" for details of these policies.

² Includes 28 temporary employees.

³ See Exhibit "C" for details of Pensions, Health and Welfare Plans, Pre-Tax Reimbursement programs and Profit Sharing Plan.

Wage and Employee Benefit Program	Description of Program	Average Monthly Cost	Other Costs
	Death Benefit		
- Group Universal Life	100% Employee Paid (Optional) Age bracketed premiums; Fully insured by CIGNA; Basic coverage of 1, 2, 3, 4 or 5 X Base; Guaranteed issue of 3 X Base, rounded to next higher \$1,000 or \$200,000, whichever is less; Spouse coverage of \$10,000 to \$100,000 & Dependent child of \$5,000 or \$10,000 available; Optional savings plan; Accelerated Death Benefit.		Employee payments through payroll deduction of \$43,045.83
- Travel Accident Insurance	100% Employer Paid; Fully insured; Maximum benefit of \$250,000 if traveling on company business, payable for death, total disability/dismemberment; Board members have 24 hour travel coverage, business/pleasure with a maximum benefit of \$300,000.		3 Year pre-paid premium through June 30, 2005
- Cancer/Catastrophic Illness Coverage	100% Employee Paid (Optional); fully insured through Hartford Life & Accident; benefits paid direct to employee; not subject to COB; premiums paid through Section 125 Plan.		Employee payments through payroll deduction of \$12,941.75
- Long Term Care Insurance	100% Employee Paid (Optional); fully insured through MetLife; coverage available for employee, spouse, and/or parents of employee or spouse; Age based premiums.		Employee payments through payroll deductions of \$431.69

Wage and Employee Benefit Program	Description of Program	Average Monthly Cost	Other Costs
<ul style="list-style-type: none"> Long Term Disability Insurance 	<p>Employer Paid; fully insured; employees eligible immediately; 60% of base pay after 6 months of disability; Offset by any benefits provided by company, i.e. SS Disability, etc.; 2 year "own occ" provision; Employee may pay taxes on premium and have a "tax free" benefit.</p>	\$19,787.84	
<ul style="list-style-type: none"> Group Medical Plan 	<p>ASO Arrangement with BCBS of MS for MCC and MPC employees, fully funded plan through BCBS of LA for Triad employees, and ASO arrangement through BCBS of NM for MPI employees. All regular, full-time & part-time employees eligible for coverage. Co. Pays approximately 80% of total cost. Plans vary by location but basically provide a comprehensive medical plan benefit.</p>	<p>Total Claims and ASO Fees less employee premiums MCC - \$159,016; MPI - 255,238.95; MPC - \$86,829.65; Triad - \$76,000</p>	<p>Company carries individual stop-loss coverage for claims in excess of \$150,000/year. Triad premium should reflect the new Melamine employee rates.</p>
<ul style="list-style-type: none"> Group Dental Plan 	<p>ASO arrangement with BCBS of MS; covers preventive, minor and major restorative, and orthodontia expenses for covered employees and dependents; regular and part-time employees eligible; company pays 80% of cost; Annual maximum benefit per covered person is \$1,000. Lifetime maximum of \$1,500 for orthodontia.</p>	<p>Total Claims and ASO Fees less employee premiums MCC - \$21,186.69; Triad - \$6,380.08; MPC - \$6,558.90, MPI - \$10,786.84</p>	

Wage and Employee Benefit Program	Description of Program	Average Monthly Cost	Other Costs
c. Pension benefits	Employer contributions and employee directed contributions to company pension plans		
-- Defined Benefit -- Mississippi Chemical Corporation Retirement Plan	Employer paid Plan providing a specific benefit based on salary and length of service at normal retirement with adjusted benefit for early retirement. Benefit formula of 1.25% X final average pay plus .75% of final average pay in excess of SS covered compensation amount times years of credited service. Benefits under Plan frozen 4/30/03.	Actuarially determined on an annual basis. No further payments due for FY ending 6/30/03	Benefits under Plan frozen 4/30/03. Trustee is Wells Fargo. Plan expenses (including benefit payments) paid by Plan. Actuary is BPS&M. Investment consultant is Mercer Investment Consulting. Their charges as well as investment manager charges paid by Plan. Non eligible plan expenses of approx. \$6,400/mo paid by company.
-- Defined Contribution Plan -- MCC Thrift Plan Plus	Employees eligible immediately; may contribute from 1% to 90% of pay with 50% of ee contribution match by co to max of 3%. Daily valued Plan; 3 year vesting; withdrawals and loans available based on plan provisions.	Estimated Employer Matching of \$97K plus Additional 3% Employer Contribution of \$137,402 cff 7/03 equals \$234,402/month	Trustee is The Vanguard Group -- average mo. Fees of \$3,275 paid by the company. Actuary is BPS&M -- monthly fees of \$3,600 paid by the company.
d. Legally ordered	Legally ordered deductions, such as garnishments, child support and tax levies	Amount contained within wages and salaries	
e. Voluntary contributions	Voluntary contributions to charitable foundations	Amount contained within wages and salaries	

Wage and Employee Benefit Program	Description of Program	Average Monthly Cost	Other Costs
f. Voluntary savings	Voluntary savings deductions	Amount contained within wages and salaries	
4. Severance Plan			
a. Compensation (83)	Continued compensation to employees terminated due to work force reduction	\$228,839.06 ⁴	Balance due and owing to severed employees is approximately \$667,260
b. Medical coverage	Continued medical coverage to employees terminated due to work force reduction (included in above)	\$41,381	Balance of medical coverage to severed employees is approximately \$177,951
c. Independent severance agreements (3)	Agreements to provide severance payments outside severance plan ⁵	\$25,738.41	Balance due and owing to these 3 employees is approximately \$77,215 (including May)
5. Workers' Compensation	Company is essentially self-insured up to an approximate limit of \$250,000 per occurrence.	\$100,000 ⁶	Among all debtors, there are now 100 workers' compensation claimants whose cases are active
			Claims that exceed \$250,000 are covered by a (paid-up) insurance policy issued by AIG
			Third party administrator handles claims below \$250,000

⁴ Severance payments will continue as monthly expense only through February 2004; the amount listed as monthly costs in this section concerning severance benefits is the amount payable for May, 2003.

⁵ Agreements expire as of July 31, 2003, July 31, 2003 and August 15, 2003, respectively.

⁶ Monthly amounts average approximately \$100,000, with precise monthly amounts ranging from \$75,000 to \$125,000.

None of the Named Executive Officers exceeded the \$1,000,000 limit for fiscal year 2002. It is not anticipated that any of the Named Executive Officers will exceed such limit for fiscal year 2003.

FROM EMPLOYEE HANDBOOK/PROCEDURES MANUAL

HOLIDAYS, VACATION, AND LEAVE

COMPANY HOLIDAYS

Except as noted below, all regular, full-time employees are entitled to the following Company Holidays with pay:

New Year's Day	Thanksgiving Day
Memorial Day	Friday after Thanksgiving*
Independence Day	Christmas Eve
Labor Day	Christmas Day

****Not a paid Company Holiday for shift workers and maintenance employees.***

If a Company Holiday falls on a Saturday or Sunday, the Company will designate another workday as the Company Holiday for those employees not scheduled to work on Saturday or Sunday.

In order to receive holiday pay, a regular full-time employee must work his or her scheduled workday preceding and following the Company Holiday, unless the employee's absence preceding or following the Company Holiday is approved by his or her supervisor.

Temporary and part-time employees are not eligible for holiday pay.

EMPLOYEE CHOICE HOLIDAYS

All regular, full-time employees (other than maintenance employees assigned to work four 10-hour days and their direct supervisors, non-exempt shift workers and their direct supervisors, and all employees who have elected to work the 9/80 schedule) may select 16 hours, not necessarily consecutive, to be observed, with the prior approval of their immediate supervisor, as "Employee Choice Holidays" in each calendar year, except the calendar year in which an employee is hired.

All regular, full-time, non-exempt shift workers, maintenance employees assigned to work four 10-hour days, and their direct supervisor may select 24 hours, not necessarily consecutive, to be observed, with the prior approval of their immediate supervisor, as "Employee Choice Holidays" in each calendar year, except the calendar year in which an employee is hired.

All regular, full-time employees who have selected the 9/80 work schedule may, with prior supervisor approval, select 8 hours, not necessarily consecutive, to be observed as an "Employee Choice Holiday," in each calendar year, except the calendar year in which an employee is hired. (The remaining 8 hours that most other employees receive are now received in the form of an additional hour of leave time on Company holidays.)

Unused Employee Choice Holiday hours may not be carried over to the next calendar year, and employees receive no compensation for unused Employee Choice Holiday hours upon termination of employment.

Temporary and part-time employees are not entitled to Employee Choice Holiday hours.

Employee Choice Holidays In The Calendar Year of Hire

The date of hire for a new employee will determine the number of Employee Choice Holiday hours to which you are entitled during the calendar year in which you are hired.



Hired between January 1 and April 30: 24 Employee Choice Holiday hours for maintenance employees and non-exempt shift workers; 8 Employee Choice Holiday Hours for all employees who have elected to work the 9/80 schedule; and 16 Employee Choice Holiday hours for all other regular, full-time employees.

Hired between May 1 and August 31: 12 Employee Choice Holiday hours for maintenance employees and non-exempt shift workers; 4 Employee Choice Holiday hours for all employees who have elected to work the 9/80 schedule; and 8 Employee Choice Holiday hours for all other regular, full-time employees.

Hired between September 1 and December 31: No Employee Choice Holiday hours.

VACATION

Eligibility and Accrual

All regular, full-time employees earn Vacation according to the following schedule:

<i>Length of Service</i>	<i>Rate of Accrual/Month</i>	<i>Maximum Vacation Accrual Per Calendar Year</i>
0 to 4 years	6.67 hours	80 hours
5 to 9 years	10.00 hours	120 hours
10 to 19 years	13.33 hours	160 hours
20 or more years	16.67 hours	200 hours

In the year of hire, Vacation is advanced to the end of the year based on the Monthly Rate of Accrual. As an example, an employee hired on September 10 would be advanced 26.7 (4 x 6.67) hours of vacation for use during the remainder of the year (and for carryover if not used prior to the end of the calendar year).

For purposes of determining monthly rate of accrual and maximum Vacation accrual, employees hired on or prior to the 15th day of the month accrue Vacation as if hired on the 1st day of the month. Employees hired after the 15th day of the month accrue no Vacation for the month in which hired.

Also for purposes of determining monthly rate of accrual and maximum Vacation accrual, January 1 of the year in which an employee's 5th, 10th, and 20th anniversary date of hire occurs shall determine the year in which graduation to the next higher level occurs.

Temporary and part-time employees are not eligible for vacation.

Use of Vacation

Any scheduling and use of Vacation must be approved by your supervisor.

Accumulation and Carryover of Vacation from Year to Year

Subject to the above rules, unused vacation may be carried over from one calendar year to the next as follows:

<i>Length of Service</i>	<i>Maximum Carryover</i>
0 to 9 years	160 hours
10 th year	176 hours
11 th year	192 hours
12 th year	208 hours
13 th year	224 hours
14 th through 19 th years	240 hours
20 or more years	280 hours

For the purpose of the above chart, a year of service is considered reached on the first day of January immediately following the employee's date of hire anniversary. As an example, an employee hired November 12, 1990, would be considered to have 10 years' service for all Vacation purposes on the first day of January after completing 9 full years of service. In this specific case, that date would be January 1, 2000.

Payment for Vacation

Exempt employees receive their regular salary while on Vacation. Non-exempt employees are paid their regular base (straight-time) rate for all hours taken as Vacation, except that Vacation hours are counted as "hours worked" for purposes of overtime compensation. For example, if an employee actually works 30 hours and takes 12 Vacation hours in a workweek, the employee will be paid for 40 straight-time hours and 2 overtime hours.

Vacation Pay Upon Termination of Employment

Upon termination of employment for any reason, employees are paid their regular base (straight-time) rate for all earned, unused vacation.

SICK LEAVE

Eligibility and Accrual

All regular, full-time, non-exempt employees are eligible for paid Sick Leave. Temporary, part-time and exempt employees are not eligible for Sick Leave. (Exempt employees--see Salary Continuation Policy.)

Sick Leave commences when you have been absent from work for 16 consecutive hours due to illness or non-occupational injury that incapacitates an employee from working.

Paid Sick Leave accrues at the rate of 8 hours per month according to the following schedule:

<i>Length of Service</i>	<i>Maximum Sick Leave Accrual</i>
0 to 4 years	240 hours
5 to 9 years	280 hours
10 or more years	320 hours

For purposes of determining accrual based on the above chart, the fifth year of service is deemed to have been reached on January 1 of the year immediately following the employee's fourth date of hire anniversary. An employee's tenth year of service will be deemed to have been reached on January 1 of the year immediately following his/her ninth date of hire anniversary.

Also for purposes of maximum Sick Leave accrual, employees hired on or prior to the 15th day of the month accrue Sick Leave as if hired on the 1st day of the month. Employees hired after the 15th day of the month accrue no Sick Leave for the month in which hired.

Although Sick Leave does not begin until the 17th hour of an employee's absence, at your option you may apply any unused Vacation, Employee Choice Holiday, or Personal Leave hours to the first two days in order not to lose any pay.

Payment for Sick Leave

Employees are paid their regular base (straight-time) rate for all hours taken as Sick Leave. Sick Leave hours are not counted as time worked for purposes of overtime compensation. For example, if a non-exempt employee actually works 30 hours and takes 12 Sick Leave hours in a workweek, the employee will be paid for 42 straight-time hours.

No Payment for Unused Sick Leave Upon Termination of Employment

Employees receive no compensation for unused Sick Leave upon termination of employment for any reason.

PERSONAL LEAVE

At the end of a calendar year, non-exempt, regular full-time employees who have surpassed their maximum accrued Sick Leave carryover may convert any excess Sick Leave to Personal Leave for use in the next calendar year in accordance with the following conversion chart:

<i>Excess Sick Leave</i>		<i>Personal Leave Time</i>
80.01 to 96.0 hours	converted to	20 hours
56.01 to 80.0 hours	converted to	16 hours
40.01 to 56.0 hours	converted to	12 hours
16.01 to 40.0 hours	converted to	8 hours
8.00 to 16.0 hours	converted to	4 hours
less than 8.0 hours	converted to	0 hours

Personal Leave may be used for any purpose at any time with the approval of your supervisor. However, unused Personal Leave may not be accumulated and carried over from year to year, and employees are not paid for unused Personal Leave upon termination of employment.

Temporary, part-time, and exempt employees are not eligible for Personal Leave.

SALARY CONTINUATION

All regular, full-time, exempt employees who must be absent from work due to illness or injury are eligible for Salary Continuation. For information about Salary Continuation, please consult your supervisor or department head.

WEEKLY INDEMNITY

All regular, full-time non-exempt employees who are unable to work due to a non-work related illness or injury and who have used all available Sick Leave and, at their option, all available Vacation, Personal Leave, and Employee Choice Holidays, are eligible for Weekly Indemnity for a period not to exceed six months following the date of illness or injury. Employees on Weekly Indemnity receive 60% of their regular pay.

Temporary, part-time, and exempt employees are not eligible for Weekly Indemnity. (Exempt employees-see Salary Continuation Policy.)

INDUSTRIAL ACCIDENT LEAVE (IAL)

All regular, full-time, non-exempt employees who are injured on the job are eligible for Industrial Accident Leave (IAL). If you are incapacitated from working due to an occupational injury, you should consult your supervisor, who will contact the Human Resources Department concerning your eligibility for IAL. While on IAL, you will receive the difference between your regular pay and any benefits payable from Workers' Compensation for up to six months following injury.

Temporary, part-time, and exempt employees are not eligible for IAL. (Exempt employees-see Salary Continuation Policy.)

FAMILY AND MEDICAL LEAVE

Eligible employees may qualify for 12 weeks of unpaid leave during a 12-month period under the Family and Medical Leave Act (FMLA). Qualifying circumstances include: (1) an employee's serious health condition that incapacitates the employee from performing the essential functions of his or her job; (2) the serious health condition of an immediate family member that requires the employee to be absent from work for the purpose of providing care or support; and (3) the birth or adoption of an employee's child or the placement of a foster child in the employee's home for foster care. Certain conditions that qualify for FMLA leave also may qualify for paid leave under other Company policies. Since FMLA leave is unpaid, it runs concurrently with any paid leave received by the employee; for example, FMLA leave runs concurrently with Sick Leave, IAL, Weekly Indemnity, Salary Continuation and, if elected by the employee, Employee Choice Holidays and Vacation. Employees on FMLA-covered leave may be required to furnish medical certification and periodic re-certification to justify their absence from work and to certify their ability to return to work at the conclusion of their leave. For more details concerning FMLA leave, please consult your supervisor or the Human Resources Department.

For purposes of the FMLA policy, a year will be a rolling 12-month period measured backward from the first day of FMLA absence.

BEREAVEMENT LEAVE

All regular, full-time employees are eligible for paid Bereavement Leave of up to four consecutive days, one of which must be the day of the funeral, for the death of an immediate family member. For purposes of administering this policy, "immediate family members" are your spouse, children, parents (to include your spouse's parents), grandparents, grandchildren, siblings (to include your spouse's siblings), and anyone who resides in your household as a family member.

In addition, regular, full-time employees are eligible for one day of paid Bereavement Leave to attend the funeral of a close relative. For the purpose of administering this policy "close relatives" are your uncles, aunts, nieces and nephews, and your spouse's grandparents.

Employees are not eligible to receive paid Bereavement Leave for any day on which they are not scheduled to work. If you need additional time off from work due to the death of an immediate family member or close relative, or if you desire time off to attend the funeral of a relative or other person for which paid Bereavement Leave is not available, such time off may be scheduled, with your supervisor's approval, as Vacation, Employee Choice Holidays, or Personal Leave or you may apply for an Excused Absence or a Leave of Absence Without Pay.

JURY DUTY, POLL WORKER, AND WITNESS SERVICE LEAVE

The Company observes all legal requirements applicable to leave for purposes of Jury Duty, Poll-Worker Service and Witness Service. If you receive a subpoena for Jury Duty or to be a Witness, or if you volunteer to be a Poll Worker, you must inform your supervisor as much in advance as possible and provide a copy of your subpoena or other documentation. Your supervisor will contact the Human Resources Department and inform you of the leave available for such purposes.

MILITARY LEAVE

The Company complies with all state and federal law requirements applicable to leave for purposes of military service, including military reserve and National Guard duty. Employees who must take leave for military purposes should inform their supervisors as much in advance as possible and provide copies of all appropriate documentation. Your supervisor will contact the Human Resources Department and provide you with the details concerning the Military Leave available to you.

EXHIBIT C

BENEFIT PLANS

For Mississippi Chemical Corporation and All Subsidiaries, Employer-Paid

Group Long-term Disability with Hartford Life Insurance Company

Group Life Insurance with Hartford Life Insurance Company (Includes AD&D and Dependent Life Coverage)

Travel Accident Plan

Retirement Plan

All-Employee Profit Sharing Plan

Supplemental Unemployment Benefit Plan (SUB)

Payroll function for Holidays, Vacation, Sick Leave and Salary Continuation

Short-term Disability

Short-term Disability Insurance for Mississippi Potash, Inc. (ASO for self-funded Plan)

Short-term Disability (self-insured as a function of payroll), Mississippi Chemical Corporation and all Subsidiaries except for Mississippi Potash, Inc.

Partially Employer-Paid, Partially Employer-Paid

Thrift Plan Plus (§401(k))

Group Medical Plan for Mississippi Chemical Corporation

Group Medical Plan for Mississippi Phosphates Corporation

PCS Prescription Drug Program for Employees of Mississippi Phosphates Corporation

Group Medical Plan for Mississippi Potash, Inc.

Group Medical Plan for Triad Nitrogen, L.L.C.

Dental Plan

Employee Assistance Plan (with various local providers)

Health/Fitness Center Membership

Employee-Paid Voluntary Plans

Group Universal Life (GUL) Insurance Policy issued by Connecticut General Life Insurance Company

Flexible Benefit Plan (§125 Plan) (Enables paying premiums on a pre-tax basis)

Long-term Care Group Insurance Policy issued by Metropolitan Life Insurance Company

Cancer and Specified Disease Expense Policy issued by Hartford Life Insurance Company

Healthcare Reimbursement Account (§125 Plan)

Dependent Care Reimbursement Account (§125 Plan)

College Savings Plan (§529 Plan)

CERTIFICATE OF SERVICE

I hereby certify that I caused to be served a true and correct copy of the foregoing pleading to all parties listed on Schedule 1 attached hereto in the form and manner set forth therein.

SO CERTIFIED this the 15 day of May, 2003.

James W. O'Mara by DMM
JAMES W. O'MARA

SCHEDULE 1

Notice Parties -- First Day Motions

The following persons were provided with copies of the foregoing First Day Motion and/or Application *via* the methods indicated below on May 15, 2003, were provided with notice that the Debtors' cases would be filed on May 15, 2003 and were provided with notice that this matter would be presented to the Court on May 16, 2003 at 11:00 a.m.:

Ronald H. McAlpin *via Hand Delivery*
Assistant U.S. Trustee
Suite 706
100 W. Capitol Street
Jackson, Mississippi 39269

James E. Spiotto *via E-Mail*
Chapman and Cutler
111 W. Monroe Street
Chicago, Illinois 60603

Counsel for Harris Trust and Savings Bank, Agent for Pre-Petition and DIP Lenders

Stephen W. Rosenblatt *via E-Mail and Hand Delivery*
Butler, Snow, O'Mara, Stevens & Cannada, PLLC
Post Office Box 22567
Jackson, MS 39225-2567

Counsel for Harris Trust and Savings Bank, Agent for Pre-Petition and DIP Lenders

Anthony Princi *via E-Mail and Hand Delivery*
Thomas L. Kent
Orrick, Herrington & Sutcliffe LLP
666 Fifth Avenue
New York, New York 10103

Counsel for Unofficial Committee of Bondholders