

MAY 20 2003

CHARLENE J. KENNEDY, CLERK
BY _____ DEPUTY

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

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

CASE NO. 03-02984 WEE
Chapter 11
Jointly Administered

**ORDER AUTHORIZING DEBTORS TO PAY CERTAIN
PRE-PETITION EMPLOYEE OBLIGATIONS**

THIS CAUSE came before the Court upon the Debtors' Motion for Authority to (i) Pay Certain Pre-Petition Employee Obligations and (ii) Continue Pension, Benefit and Other Employee Plans and Policies ("Motion") and request for expedited consideration thereof, which request was granted by the Court pursuant to separate order. The Court, having considered the Motion, the Affidavit of Charles O. Dunn, the premises and such other matters as were presented to the Court by counsel, finds that granting at this time partial relief with respect to the payment of the Unpaid Compensation, Employee Deductions and existing customary pre-petition medical and dental benefits; life, accident, disability and other insurance coverage; tax free reimbursement for eligible child care and medical costs; and the continuation of the existing 401(k) plan for continuing employees (collectively, the "Approved Employee Benefits") is necessary and in the best interests of the Debtors' estates, their creditors and other parties in interest: the Court further finds that, under the circumstances, adequate notice of the Motion was given and that good cause exists under §§ 105(a), 1107(a) and otherwise for partially granting the Motion: accordingly,

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

IT IS THEREFORE ORDERED that the Debtors are hereby authorized to pay the Unpaid Compensation, Employee Deductions and Approved Employee Benefits, which are defined and more particularly described either in the Motion or herein, in order to prevent, to the extent possible, any adverse affects upon the Debtors' employees and to preserve and thereby maximize the value of the estates and their values as going concerns. The balance of the Motion will be addressed by separate order or orders of the Court and is not prejudiced by the entry of this Order; and

IT IS FURTHER ORDERED that the Debtors' banks and financial institutions are authorized and directed to honor all checks, drafts or other payment instruction so as to effectuate any payment made pursuant to this Order.

SO ORDERED this the 20 day of May, 2003.

Original Signed By
EDWARD ELLINGTON
US BANKRUPTCY JUDGE

EDWARD ELLINGTON
United States Bankruptcy Judge

Company: Mississippi Phosphates Corporation; Mississippi Potash, Inc.; Eddy Potash, Inc.; Triad Nitrogen, L.L.C.; and Melamine Chemicals, Inc.

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

U.S. BANKRUPTCY COURT
SOUTHERN DISTRICT OF MISSISSIPPI
FILED

MAY 28 2003

CHARLENE J. KENNEDY, CLERK
BY LS DEPUTY

In re:)
)
MISSISSIPPI CHEMICAL)
CORPORATION, *et al.*¹)
)
Debtors.)
_____)

CASE NO. 03-02984 WEE
Chapter 11
Jointly Administered

**ORDER AUTHORIZING DEBTORS TO PAY CERTAIN
PRE-PETITION EMPLOYEE OBLIGATIONS**

THIS CAUSE came before the Court upon partial consideration of the Debtors' Motion for Authority to (i) Pay Certain Pre-Petition Employee Obligations and (ii) Continue Pension, Benefit and Other Employee Plans and Policies ("Motion") and request for expedited consideration thereof, which request was granted by the Court pursuant to separate order. The Court, having considered the Motion, the Affidavit of Charles O. Dunn, the premises and such other matters as were presented to the Court by counsel, finds that granting at this time partial relief with respect only to the payment of amounts due May 30, 2003 under the Severance Plan (the "May 30 Severance Payment") is necessary and in the best interests of the Debtors' estates, their creditors and other parties in interest and that the Unofficial Committee of Bondholders takes no position with respect to the relief granted herein and offers no objection thereto; the Court further finds that, under the circumstances, adequate notice of the Motion was given and that good cause exists under §§ 105(a), 1107(a) and otherwise for partially granting the Motion; accordingly,

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.

IT IS THEREFORE ORDERED that the Motion is granted in part such that the Debtors are hereby authorized to pay the May 30 Severance Payment only in order to prevent, to the extent possible, any adverse affects upon the Debtors' employees, their morale and to preserve and thereby maximize the value of the estates and their values as going concerns. The balance of the Motion will be addressed by separate order or orders of the Court and is not prejudiced by the entry of this Order; and

IT IS FURTHER ORDERED that the Debtors' banks and financial institutions are authorized and directed to honor all checks, drafts or other payment instruction so as to effectuate any payment made pursuant to this Order; and

IT IS FURTHER ORDERED that the entry of this Order is without prejudice to the rights of any party to object to any further relief requested pursuant to the Motion.

SO ORDERED this the 28th day of May, 2003.

Original Signed By
EDWARD ELLINGTON
US BANKRUPTCY JUDGE

EDWARD ELLINGTON
United States Bankruptcy Judge

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

MAY 16 2003

CHARLENE J. KENNEDY, CLERK
BY _____ DEPUTY

In re:

MISSISSIPPI CHEMICAL
CORPORATION, *et al.*¹

Debtors.

CASE NO. 03-_____
Chapter 11
Jointly Administered

**APPLICATION TO EMPLOY GORDIAN GROUP, L.L.C. AS RESTRUCTURING AND
FINANCIAL ADVISORS FOR DEBTORS AND DEBTORS-IN-POSSESSION**

COME NOW Mississippi Chemical Corporation, *et al.*, debtors and debtors-in-possession herein (Debtors"), and file this Application to Employ Gordian Group, L.L.C. ("Gordian") as Financial Advisor Pursuant to Bankruptcy Code Sections 327 and 328(a) (the "Application") and respectfully state as follows:

JURISDICTION AND VENUE

1. The Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 1334 and 157. This Motion concerns the administration of these estates and the use of cash collateral and is, therefore, a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(A) and (M).
2. Venue is proper in this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

FACTUAL BACKGROUND

3. On May 15, 2003 (the "Petition Date"), the Debtors each filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code").

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.

4. Since the Petition Date, the Debtors have continued to operate and manage their businesses as debtors-in-possession pursuant to Bankruptcy Code sections 1107(a) and 1108. The United States Trustee has not yet appointed an official committee of unsecured creditors.

5. Prior to the commencement of these Chapter 11 cases, Gordian was retained by the Debtors to assist in, among other things, (i) restructuring the Debtors' debt, (ii) raising new or replacement capital for the Debtors, (iii) any merger, consolidation, reorganization, joint venture, recapitalization or other business combination or asset sale related to the Debtors, or (iv) obtaining any debtor-in-possession financing. The Debtors selected Gordian because of the firm's expertise and national reputation. Gordian was compensated for its pre-Petition Date services pursuant to the terms and conditions of that Engagement Letter dated December 20, 2002 (the "Engagement Letter"), a copy of which is attached hereto as Exhibit "A".

RELIEF REQUESTED

6. Due to the size and nature of the transactions contemplated by the Debtors, the Debtors are in need of Gordian's services, and wish to retain Gordian as their financial advisor pursuant to Bankruptcy Code section 327(a) and to compensate Gordian for its financial advisory services pursuant to Bankruptcy Code section 328(a).

7. Gordian has considerable experience assisting troubled companies with stabilizing their financial situations and assisting in the restructuring or sale of the business and assets of financially distressed companies. Gordian is already familiar with the Debtors and their businesses and assets. The Debtors' retention of a financial advisor that is already familiar with the Debtors' operations will be cost-effective for the Debtors and their estates.

8. The services to be provided by Gordian are necessary to enable the Debtors to perform their duties as debtors in possession. As more fully set forth in the Engagement Letter, such services include, *inter alia*:

- a. evaluating, advising and assisting the Debtors with respect to alternative restructuring options, business strategies and, if appropriate, sale and asset disposition transactions;
- b. advising as to available capital restructuring and financing alternatives, including without limitation, the restructuring of the 7.25% Senior Notes, recommendations of specific courses of action, and assistance with the structure, implementation and closing one or more alternative financial transaction structures and any debt and equity securities to be issued in connection with a financial transaction;
- c. representing the Debtors in discussions and negotiations with third parties, including creditors, potential advisors, and acquisition targets;
- d. providing the Debtors assistance as necessary and appropriate in connection with their Chapter 11 proceedings;
- e. assisting in preparing proposals to creditors, employees, shareholders and other parties-in-interest in connection with any financial transaction;
- f. assisting the Debtors with the valuation of the Debtors' assets and/or operations;
- g. assisting with presentations made to the Debtors' board of directors and/or creditors regarding, *inter alia*, potential financial transactions and/or other issues related thereto; and
- h. rendering such other financial advisory and investment banking services as may be mutually agreed upon by the parties.

9. Gordian has stated its desire and willingness to act in these cases and render the foregoing financial advisory services for the Debtors. The Debtors require the services of an experienced financial advisor. As noted above, Gordian has substantial expertise in Chapter 11 cases generally, and substantial knowledge of the Debtors' specific financial and strategic position. As a result, Gordian is well qualified to perform these services and represent the Debtors' interests in these Chapter 11 cases.

10. The Debtors may, from time to time, request that Gordian undertake specific matters beyond the scope of the responsibilities set forth in the Engagement Letter. Should Gordian agree, in its sole discretion, to undertake any such specific additional matters, the

Debtors seek authority herein to employ Gordian for such matters, in addition to those set forth above, without further order of this Court.

11. Gordian does not represent that any particular professional will be solely responsible for Gordian work product and that members and junior associates of Gordian will participate in the professional services to be provided to Debtors as required. Gordian anticipates, however, that Managing Directors, Peter S. Kaufman and/or Henry F. Owsley, subject to circumstances beyond their reasonable control, will be primarily involved in senior-level services that Gordian shall provide hereunder. There has not been, nor will there be, any overlap or duplication in the services provided by Gordian and other professionals retained by the Debtors.

**Approval of Flat Fee Terms Under Bankruptcy Code Section 328(a)
and Waiver of Billing Records Requirement**

12. By this Motion, the Debtors request that Gordian continue to be employed and compensated according to the terms and conditions of the Engagement Letter, and to have such compensation approved by the Court under Bankruptcy Code section 328(a). Specifically, as more fully set forth in the Engagement Letter, the Debtors have agreed to compensate Gordian as follows: (i) a monthly fee of \$150,000 in advance for each month of the engagement, plus (ii) an additional fee ("Additional Fee") of 1.5% of the principal amount or purchase price of any Financial Transaction (as defined in the Engagement Letter). Gordian and the Debtors have agreed to cap the aggregate amount of all fees pursuant to the Engagement Letter (pre- and post-petition) in the aggregate at \$4 million. In addition, Gordian shall be reimbursed for all out of pocket expenses. As set forth in the Engagement Letter, Gordian will be entitled to no Additional Fee in respect of any transaction, or portion thereof, involving the Debtors' ownership interest in Farmland MissChem Limited ("FMCL"). Further, the Engagement Letter provides that the Debtors may request additional services by Gordian for a mutually agreeable

fee. As detailed in the Affidavit of Peter S. Kaufman filed simultaneously herewith (the "Affidavit"), Gordian has received a retainer for fees and expenses (the "Retainer"). All of the Retainer represents the pro-rata payment of Gordian's monthly fee applicable to post-petition services to be provided by Gordian in May, 2003. Upon approval of this Application, Gordian and the Debtors have agreed that Gordian shall draw down the balance of its Retainer as compensation for post-petition services rendered in May, 2003.

13. Gordian requests the Court to waive, for cause, the requirements that Gordian maintain complete and detailed descriptions of all activities undertaken on behalf of the Debtors or that Gordian be required to subsequently file a fee application pursuant to Bankruptcy Code sections 330 and 331. Customarily, advisors providing investment banking services are not paid hourly and accordingly do not keep hourly billing records. Because Gordian does not regularly maintain billing records, it does not maintain an accounting or computer system that can timely and efficiently generate billing reports. Additionally, because Gordian has been, and will be, performing considerable activities on behalf of the Debtors, such a requirement would reduce Gordian's efficiency and timeliness in providing its financial services to the Debtors.

14. The Debtors and Gordian negotiated the compensation provided for in the Engagement Letter with the intent that Gordian's compensation be subject to review by the Bankruptcy Court under Bankruptcy Code section 328(a). The parties agreed to the compensation provided for in the Engagement Letter with the express understanding that the hours worked, results achieved and the ultimate benefits to the estate of the work performed may be variable, and took this into account in setting the monthly and contingent compensation payable thereunder.

15. The Debtor has also agreed to indemnify Gordian according to the terms provided for in the Engagement Letter.

16. Gordian is not owed any amounts with respect to its pre-petition fees and expenses incurred on behalf of the Debtors.

No Conflict

17. To the best of the Debtors' knowledge and belief, and based upon the attached Affidavit, the members and associates of Gordian are disinterested persons under Bankruptcy Code sections 101(14) and 1107(b) and do not hold or represent an interest adverse to the Debtors or their estates.

18. Gordian has represented to the Debtors that to the best of its knowledge, no member or associate of Gordian has any connection with or holds any interest adverse to the Debtors, their estates, their creditors or any other party in interest herein or their respective attorneys in the matters on which Gordian is proposed to be retained, except as disclosed in the Affidavit. Additionally, Gordian has, and has had, a large, diversified national advisory practice that encompasses the representation of numerous clients located throughout the United States, in a wide variety of industries, some of which may be claimants or may otherwise have an interest in this matter. It is possible that some of these past and present clients may have some connection to, or may be shareholders or creditors of the Debtors or may have creditors who are also creditors of the Debtors. However, Gordian has not and will not represent the interests of any of its other clients in this matter; further Gordian has not and will not represent any of the Debtors' creditors, parties-in-interest or any of their respective attorneys or financial advisors with regard to any matter related to these Chapter 11 cases.

19. To the best of the Debtors' knowledge, and except as set forth above or in the Affidavit, Gordian has no connection with the Debtors, their creditors, the United States Trustee,

or any other party in interest except as stated herein. The employment of Gordian is in the best interest of the estate.

20. As set forth in the Affidavit, Credit Suisse First Boston's ("CSFB") role with the Debtors was limited to providing financial advisory services in connection with a sale of the Debtors' ownership interests of FMCL prior to the Petition Date. Gordian and the Debtors have expressly agreed that Gordian's services in connection with FMCL shall be limited to those outlined in the Engagement Letter and shall have no role regarding the sale of the Debtors' ownership interest in FMCL. Accordingly, the Debtors' have avoided any duplication between Gordian and CSFB's respective roles with the Debtors and intend to continue to do so.

21. To the extent any provision in this Application and the Engagement Letter are inconsistent, the terms of the Engagement Letter shall control.

22. For purposes of notice, the contact information of Gordian is:

Peter S. Kaufman
Henry F. Owsley
Gordian Group, L.L.C.
499 Park Avenue, 5th Floor
New York, NY 10022
Tel: (212) 486-3600
Fax: (212) 486-3616

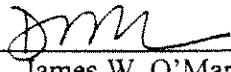
23. Notice and Service of this Application were provided to all parties listed on Schedule 1 attached hereto in the form and manner set forth therein, and the Debtors submit that such notice and service are sufficient under the circumstances.

WHEREFORE, the Debtors pray that the Court authorize the employment of Gordian Group, L.L.C. as financial advisor for the Debtors, in accordance with the terms and provisions of the Engagement Letter and this Application, and pursuant to Bankruptcy Code section 327, with compensation and reimbursement of expenses to be paid in the amount and at the time set

forth in the Engagement Letter, which compensation shall be allowed pursuant to Bankruptcy Code section 328.

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
Suite 500, SkyTel Centre North
200 South Lamar Street
Post Office Box 23066
Jackson, Mississippi 39225-3066
Telephone: (601) 352-2300
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Alan J. Bogdanow
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VINSON & ELKINS L.L.P.
3700 Trammel Crow Center
2001 Ross Avenue
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GORDIAN GROUP

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www.gordiangroup.com

Gordian Group, LLC

PERSONAL AND CONFIDENTIAL

December 20, 2002

Board of Directors
Mississippi Chemical Corporation
P.O. Box 388
Yazoo City, Mississippi 39194

Attention: Charles O. Dunn
President and CEO

Dear Sirs:

This letter (the "Agreement") confirms the terms of the engagement of Gordian Group, LLC ("Gordian") by Mississippi Chemical Corporation (together with any of its subsidiaries, "GRO" or the "Company") as of January 1, 2003 (the "Effective Date"), to provide certain financial advisory services as specifically set forth below. On the Effective Date, the engagement letter between Gordian and the Company dated as of September 26, 2002, is amended by that certain letter agreement dated October 14, 2002 (the "Initial Agreement"). This Agreement shall supersede the Initial Agreement in all respects. Gordian shall not be entitled to any "Additional Fee" as contemplated by the Initial Agreement. The services may relate to the following:

(a) a potential financial restructuring of the Company's:

- (i) senior bank credit facility (the "Bank Credit Facility"),
- (ii) 7.25% Senior Notes due 2017 (the "Notes"),
- (iii) 5.80% Industrial Revenue Bonds due 2022 (the "IRBs"), or
- (iv) a material portion of the Company's non-working capital, non-lease balance sheet obligations,

(b) raising new or replacement capital for the Company,

(c) any merger, consolidation, reorganization, recapitalization, joint venture or other business combination or sale of assets of the Company or the acquisition of substantially all or a portion of the assets or outstanding securities of another entity, or

(d) obtaining debtor-in-possession financing, including, but not limited to, debtor-in-possession financing provided by (i) Harris Trust and Savings Bank and its affiliates ("Harris"), (ii) The CIT Group/Business Credit, Inc., and its affiliates ("CIT"), (iii) Ableco Finance LLC and its affiliates

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400 Park Avenue
17th FloorNew York
NY 10022Tel: (212) 1000
Fax: (212) 1000

EXHIBIT

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Gordian Group, LLC

Board of Directors
Mississippi Chemical Corporation
Page 2 of 10
December 20, 2002

("Ableco"), and (iv) any other party that provides or syndicates amounts in conjunction with any of the parties listed in (i), (ii), or (iii) of this sentence ("DIP Financing")

in one or a series of transactions (each, a "Financial Transaction"). Notwithstanding the foregoing, to the extent that a transaction constitutes or includes the disposition of the Company's interests in Farmland MissChem Limited, the Company's terminal facilities, or the Company's non-core assets (the "Excluded Assets"), such transaction or portion thereof relating to the Excluded Assets shall to such extent not be deemed a Financial Transaction; and Gordian shall not be entitled to any Additional Fee in respect thereof nor shall Gordian be obligated to provide any services in respect thereof except as the Company and Gordian may actually agree.

Gordian's services hereunder shall comprise advising and making recommendations to management and the Board of Directors of the Company in connection with a potential Financial Transaction. To the extent necessary, Gordian's services will include assisting the Company in

- (i) the evaluation and development of a strategy (or strategies) for the Company in connection with a Financial Transaction,
- (ii) representing the Company in discussions and negotiations as to the proposed financial transaction with various third parties, including creditors, potential investors and acquisition targets,
- (iii) negotiating and structuring of the financial aspects of a proposed Financial Transaction,
- (iv) otherwise assisting the Company in obtaining funding for a Financial Transaction,
- (v) the Company's preparation of offering documents and transaction documents in connection with a proposed Financial Transaction, and coordinating data room and due diligence investigations with potential purchasers in connection with a proposed Financial Transaction, and
- (vi) providing such additional customary investment banking services as necessary and appropriate to advise the Company throughout Chapter 11 proceedings (including, without limitation, valuation services and testimony in conjunction therewith) in the event the Company files for protection under Chapter 11 of the United States Bankruptcy Code.

In the event of such Chapter 11 proceeding, the Company shall use commercially reasonable efforts to obtain prompt authorization of the retention of Gordian, *nunc pro tunc* to the date of this Agreement, on the terms and provisions in this Agreement pursuant to Section 328(a) of the Bankruptcy Code. The order approving the Agreement and authorizing the retention shall be acceptable to Gordian in its sole reasonable discretion.

If requested by the Company, and if the Company and Gordian agree on the amount of the fee payable in respect thereof, Gordian will render one written opinion to the Board of Directors of the Company

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GORDIAN GROUP

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Gordian Group, LLC

Board of Directors
Mississippi Chemical Corporation
Page 3 of 10
December 20, 2002

regarding valuation, fairness or solvency in accordance with its customary practice (the "Opinion"), provided that if (i) the opinion is rendered in connection with a Financial Transaction for which Gordian is receiving at least one-half the amount of the maximum Additional Fees which it has not yet earned under this Agreement, then no fee shall be payable with respect to the Opinion, and (ii) if the Opinion is rendered in connection with a Financial Transaction and if the foregoing clause (i) is not applicable thereto, the parties agree that the fee for such Opinion shall be equal to \$100,000. Gordian's services hereunder may include the rendering of additional valuation, fairness or solvency opinions or other additional services not expressly referenced above; any such services shall be addressed in a separate engagement letter as may be mutually agreed to by the Company and Gordian.

In the event the Company, its affiliates or their management receive or initiate an inquiry or other contact concerning a Financial Transaction, the Company shall promptly inform Gordian of such inquiry or contact, in order that Gordian can assist the Company in any resulting negotiations in such manner as directed by the Company.

For Gordian's services in connection with this engagement, the Company shall pay or cause to be paid to Gordian, in cash in U.S. dollars, nonrefundable fees as follows:

- (a) monthly fees of \$150,000 per month for each month of the engagement, payable in advance on the first of each month (the "Monthly Fees"), plus
- (b) an additional fee of 1.5% of the principal amount or purchase price of any Financial Transaction effected ("Additional Fee") (provided that the Additional Fee shall not be payable with respect to any amounts provided or syndicated by (i) Harris Trust and Savings Bank or its affiliates, (ii) The CIT Group/Business Credit, Inc., or its affiliates, (iii) Ableco Finance LLC or its affiliates and (iv) any other party that provides or syndicates amounts in conjunction with any of the parties listed in (i), (ii) or (iii) of this proviso; provided further, however, that notwithstanding the foregoing, the Additional Fee shall apply to amounts contemplated by the immediately preceding proviso regarding any debtor-in-possession financing).

Gordian shall cap the aggregate amount of all fees owed to it hereunder (all Additional Fees, including such fees paid with respect to the Tail Period, as hereinafter defined, and Monthly Fees), at \$4.0 million. It is understood that merely an extension, covenant waiver or standstill agreement regarding the Bank Credit Facility or the Notes shall not constitute a Financial Transaction.

The Additional Fee shall be paid in full simultaneously with the acquisition, retirement or other disposition of the Bank Credit Facility, the Notes and/or the IRs.

If, after the expiration of this Agreement, Gordian, any affiliate of Gordian, or any member, partner, officer, director, employee, controlling person, representative or agent of Gordian or any affiliate of Gordian is required to participate in connection with the threat or assertion of a claim, litigation or investigation with respect to this engagement for which the Company is not obligated pursuant to the

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GORDIAN GROUP

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Gordian Group, LLC

Board of Directors
Mississippi Chemical Corporation
Page 4 of 10
December 20, 2002

terms of this Agreement to indemnify Gordian, then Gordian shall be compensated for the time expended by such person at depositions or trial, at the hourly rate then in effect for such person or, if no such rate is then in effect, the hourly rate that Gordian shall reasonably determine to be appropriate.

In addition to the fees described above, Gordian shall be reimbursed upon invoice for all of its reasonable out-of-pocket expenses (including legal, travel, telephone and facsimile) incurred in connection with Gordian's engagement hereunder; provided that Gordian shall not be reimbursed for legal expenses in excess of \$15,000 (including no more than \$2,000 for legal expenses in connection with the preparation of this Agreement) without the prior written approval of the Company, which shall not be unreasonably withheld.

The nature and scope of Gordian's investigation in connection with the matters described herein, including the Opinion, shall be as Gordian deems appropriate. Gordian shall familiarize itself with and consider, as it deems appropriate, the history and nature of the business of the Company, its operations, financial results and condition, properties and prospects and such other factors as Gordian deems relevant. In this regard, Gordian shall be entitled to rely entirely on publicly available information plus such other information as may be directly or indirectly furnished to it orally or in writing by the Company or its officers, directors, employees, affiliates, representatives, counsel, auditors and advisors, without independent investigation thereof, and Gordian does not hereby assume any responsibility to verify the accuracy or completeness of any such information or to conduct any appraisal of the Company's assets or liabilities. The Company represents and warrants to Gordian that, to the best of its knowledge, all information it directly or indirectly furnishes to Gordian in connection with Gordian's engagement hereunder shall be true, complete and accurate in all respects, and not misleading. The Company agrees to cooperate fully with Gordian and shall promptly make available to Gordian all such information, documents and corporate records as Gordian deems necessary or appropriate. It is understood that the Opinion may be of such scope and substance and in such form as Gordian shall determine and Gordian may limit or qualify the Opinion as Gordian believes appropriate. Gordian shall have no obligation to update the Opinion to reflect events occurring or information obtained subsequent to the date of the Opinion.

Gordian does not represent or guarantee any specific result from this engagement. Gordian has not made, and is not responsible for the accuracy of, any projection of the Company's operating results, solvency or value, and Gordian does not make any representation regarding or guaranty of the accuracy of any projection, other view or advice Gordian provides regarding the Company or the Company's future. The Company acknowledges that all future matters are subject to certain risks and uncertainties that could cause actual results to differ materially from those projected or otherwise addressed by Gordian.

Gordian's role shall be solely as a financial advisor to the Company's management and Board of Directors, which shall remain fully responsible for all decisions and matters as to which Gordian's advice is sought. Gordian is assuming no management responsibility with respect to the Company of any nature whatsoever. Gordian's obligations to the Board of Directors and the Company are contractual in nature as expressly set forth in this Agreement and neither Gordian nor any of its affiliates nor the respective

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Gordian Group, LLC

Board of Directors
Mississippi Chemical Corporation
Page 5 of 10
December 20, 2002

members, partners, officers, directors, employees, controlling persons, representatives and agents of Gordian or its affiliates have any fiduciary obligations to the Company or any other person in respect hereof. The Company acknowledges and agrees that its engagement of Gordian hereunder does not and is not intended to confer rights upon any person not a party hereto, including any security holders or creditors of, or holders of beneficial interests in, the Company, as against Gordian, its affiliates, or the respective members, partners, officers, directors, employees, controlling persons, representatives and agents of Gordian or its affiliates. Gordian's obligations are solely corporate obligations and no affiliate, member, partner, officer, director, employee, controlling person, representative or agent of Gordian shall be subjected to any personal liability whatsoever to any person with respect to this Agreement or the Opinion.

The Opinion and any advice, written or oral, provided by Gordian pursuant to this Agreement shall be solely for the information and assistance of the Company and its Board of Directors in connection with the Financial Transaction. Except as required by law or court order, such advice is not to be used, circulated, quoted or otherwise referred to, in whole or in part, for any other purpose. The Opinion and such advice shall not be filed with, included in or referred to, in whole or in part, in any registration statement, proxy statement, tender offer or any other document, nor are references to Gordian or its engagement hereunder to be made therein, except in each case in accordance with Gordian's prior written consent, which shall not be unreasonably withheld; provided that, notwithstanding the foregoing, such filings and references shall be permitted to the extent required by law, in which case the Company shall use its reasonable best efforts to provide Gordian the opportunity to review the filings and references in advance of public disclosure and accommodate any revisions proposed by Gordian. Except to the extent legally required, none of: (i) the fact that Gordian is rendering advice to the Company (except that the fact that Gordian is rendering such advice may be disclosed to parties with which the Company is negotiating); (ii) the Opinion or any advice rendered by Gordian to the Company; or (iii) any communication from Gordian to the Company or from the Company to Gordian in connection with the services performed by Gordian pursuant to this Agreement shall be quoted or referred to orally or in writing in any public form or forum or document by the Company, or its agents, without Gordian's prior written authorization, which shall not be unreasonably withheld. Except to the extent expressly set forth in writing by Gordian, no third party shall be entitled to rely upon the Opinion or Gordian's advice for any purpose whatsoever. Gordian shall bear no responsibility whatsoever for the accuracy or completeness of the Company's disclosure of the Opinion or Gordian's advice to any third parties.

Gordian acknowledges that the work performed by Gordian at the request and direction of counsel for the Company (the "Work Product") may be protected from disclosure by the attorney work product privilege. Gordian will take all reasonable steps requested by the Company or counsel to the Company to protect and preserve this privilege, and Gordian will not, except as required by law, disclose the substance or content of the Work Product to any person at any time without the prior consent of the Company, which will not be unreasonably withheld.

The Company understands that Gordian does not represent that any particular Gordian professional will be solely responsible for Gordian's work product completed pursuant to Gordian's engagement and that

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5

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Gordian Group, LLC

Board of Directors
Mississippi Chemical Corporation
Page 6 of 10
December 20, 2002

junior Gordian professionals likely will be working on this engagement together with senior Gordian professionals. Notwithstanding the foregoing, Managing Directors Peter S. Kaufman and Henry F. Owsley shall be primarily responsible for the senior-level services that Gordian shall provide hereunder (subject to circumstances beyond Gordian's reasonable control) and shall devote such time and effort as is required, consistent with Gordian's usual practices, to enable Gordian to fully perform all material obligations of Gordian hereunder.

The Company agrees to indemnify and hold harmless Gordian and its affiliates and their respective members, partners, officers, directors, employees, controlling persons, representatives and agents (each an "Indemnified Party") to the full extent lawful from and against, and agrees that each Indemnified Party shall have no liability to the Company or its affiliates, successors, assigns, creditors or security holders for, any losses, claims, expenses, damages or liabilities (or actions or proceedings in respect thereof), including without limitation counsel fees and expenses, related to or arising out of Gordian's engagement under this Agreement, or any transaction or conduct in connection therewith, except to the extent that any such loss, claim, expense, damage or liability is finally judicially determined to have resulted from the gross negligence or willful misconduct of Gordian in performing the services that are the subject of this Agreement. If for any reason the foregoing indemnification is unavailable to any Indemnified Party or insufficient to hold it harmless, then the Company shall contribute to the amount paid or payable by such Indemnified Party as a result of such loss, claim, expense, damage or liability in such proportion as is appropriate to reflect not only the relative benefits received by the Company and/or its equity holders on the one hand and the Indemnified Party on the other hand, but also the relative fault of the Company and the Indemnified Party, as well as any other relevant equitable considerations. In no event shall Gordian and the Indemnified Parties collectively have liability hereunder in the aggregate in excess of any cash fees actually received by Gordian hereunder, exclusive of reimbursement of expenses as provided in this Agreement. Upon receipt by an Indemnified Party of actual notice of an action, proceeding or investigation against such Indemnified Party (collectively, "Actions") with respect to which indemnity may be sought under this Agreement, such Indemnified Party shall promptly notify the Company in writing; provided that failure so to notify the Company shall not relieve the Company from any liability which the Company may have on account of this indemnity or otherwise, except to the extent the Company shall have been materially prejudiced by such failure. The Company shall have the right to assume the defense of any such Action, including employment of counsel reasonably satisfactory to Gordian. Any Indemnified Party shall have the right to employ separate counsel in any such Action and participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of such Indemnified Party, unless: (i) the Company has failed promptly to assume the defense and employ counsel reasonably satisfactory to Gordian or (ii) named parties to any such Action (including any impleaded parties) include such Indemnified Party and the Company, and such Indemnified Party shall have been advised by counsel that there may be one or more legal defenses available to it which are different from, or in addition to, those available to the Company; provided that the Company shall not in such event be responsible hereunder for the fees and expenses of more than one firm of separate counsel in connection with any Action in the same jurisdiction, in addition to any local counsel. The Company shall not be liable for any settlement of any Action effected without its written consent (which shall not be unreasonably withheld). The Company shall not settle any claim, litigation or other proceeding against any

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GORDIAN GROUP

008

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Gordian Group, LLC

Board of Directors
Mississippi Chemical Corporation
Page 7 of 10
December 20, 2002

Indemnified Party relating to Gordian's engagement hereunder unless such settlement requires on the part of the Indemnified Party nothing more than a cash payment that the Company actually makes, and unless such settlement includes an express release of such Indemnified Party from all claims asserted against such Indemnified Party by all parties to such settlement, such release to be set forth in an instrument or instruments signed by or otherwise binding upon all parties to such settlement. The Company agrees to reimburse each Indemnified Party periodically for its legal and other out-of-pocket expenses (including the cost of any investigation, preparation or provision of evidence) incurred in connection with any pending or threatened action, claim, investigation or proceeding (regardless of whether Gordian is a party thereto) in respect of which indemnification or contribution may be sought hereunder or in enforcing this Agreement. The reimbursement, indemnity and contribution agreements of the Company under this paragraph shall be in addition to any liability which the Company otherwise may have and to any rights that Gordian may otherwise have, and shall extend upon the same terms and conditions to, and may be independently enforced by, any affiliate of Gordian and the members, partners, officers, directors, employees, controlling persons, representatives and agents (if any) of Gordian or any affiliate of Gordian and shall be binding upon any successors and assigns of the Company and must to the benefit of any successors, assigns, heirs and personal representatives of Gordian, any such affiliate and any such person. The provisions of this and the following four paragraphs shall survive the completion or termination of Gordian's services pursuant to this Agreement or any termination of this Agreement.

THIS LETTER AGREEMENT SHALL BE GOVERNED AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK (WITHOUT REFERENCE TO ITS PRINCIPLES OF CONFLICT OF LAW). THE PARTIES HERETO HEREBY WAIVE ANY RIGHT TO TRIAL BY JURY IN CONNECTION WITH ANY DISPUTES ARISING HEREUNDER. The Company hereby consents to venue and jurisdiction in any court in which Gordian (or other Indemnified Person) is validly sued or otherwise found or brought. Any dispute arising under this Agreement or in connection with this engagement shall be finally settled by arbitration conducted in New York, New York by one arbitrator in accordance with the Commercial Arbitration Rules of the American Arbitration Association. The arbitration award entered in accordance with this Agreement shall be in writing and shall be final and binding on the parties, except to the extent it may be appealed to a court of competent jurisdiction in accordance with applicable laws governing appealability of arbitration awards. The award may include an award of costs, including reasonable attorneys' fees and disbursements. Judgment upon the award may be entered by any court having jurisdiction over the parties or their assets. The parties hereto consent to the non-exclusive jurisdiction of the federal and state courts sitting in New York City for the purpose of entering judgment upon and enforcing such an award.

This engagement may be terminated by the Company or Gordian at any time with or without cause, effective upon receipt of written notice to that effect by the other party, but in such circumstance the Company shall remain liable for any Monthly Fees payable and expenses incurred prior to termination. In the event of termination of this engagement except as provided in the following sentence, the Company shall also remain liable for the Addional Fee if within fifteen months after such termination (the "Tail Period") definitive documentation is entered into with respect to a Financial Transaction and such Financial Transaction is consummated. If Gordian has terminated the engagement even though the

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GORDIAN GROUP

009

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Gordian Group, LLC

Board of Directors
Mississippi Chemical Corporation
Page 8 of 10
December 20, 2002

Company has fulfilled in all material respects (and has not repudiated or anticipatorily breached in any material respect) its obligations hereunder, then Gordian shall not be entitled to an Additional Fee in respect of a Financial Transaction for which the definitive documentation is entered into after the date of such termination.

This Agreement contains the entire agreement of the parties with respect to the subject matter hereof and supersedes all prior agreements and understandings, oral or written, between Gordian and the Company with respect thereto. This Agreement shall be binding upon and inure to the benefit of any successors, assigns, heirs and personal representatives of the parties. This Agreement may not be amended or modified except in writing, executed by the parties hereto. No party hereto may assign this Agreement.

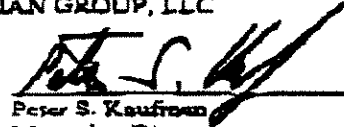
The Company's obligations hereunder shall be joint and several obligations of each of Mississippi Chemical Corporation and its undesignated subsidiaries; provided, however, that no such subsidiary shall be required to pay any amount that would cause it to become insolvent and any such amount not so paid shall be reallocated among the remaining such subsidiaries.

Please confirm that the foregoing is in accordance with your understanding by signing and returning to us the duplicate of this letter attached hereto, which shall thereupon constitute a binding agreement.

Sincerely yours,

GORDIAN GROUP, LLC

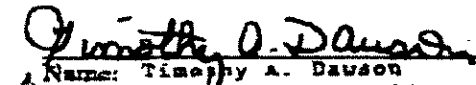
By:


Peter S. Kaufman
Managing Director

AGREED TO AND ACCEPTED:

MISSISSIPPI CHEMICAL CORPORATION

By:


Name: Timothy A. Dawson
Title: Senior Vice President and
Chief Financial Officer

Date: December 20, 2002

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8

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GORDIAN GROUP

010

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Gordian Group, LLC

Board of Directors
Mississippi Chemical Corporation
Page 9 of 10
December 20, 2002

MISSISSIPPI PHOSPHATES CORPORATION

By: Timothy A. Dawson
Name: Timothy A. Dawson
Title: Vice President of Finance
and Treasurer
Date: December 20, 2002

MISSISSIPPI POTASH, INC.

By: Timothy A. Dawson
Name: Timothy A. Dawson
Title: Vice President of Finance
and Treasurer
Date: December 20, 2002

EDDY POTASH, INC.

By: Timothy A. Dawson
Name: Timothy A. Dawson
Title: Vice President of Finance
and Treasurer
Date: December 20, 2002

MISSISSIPPI NITROGEN, INC.

By: Timothy A. Dawson
Name: Timothy A. Dawson
Title: Vice President of Finance
and Treasurer
Date: December 20, 2002

MISSCHEM NITROGEN, L.L.C.

By: Timothy A. Dawson
Name: Timothy A. Dawson
Title: Vice President of Finance
and Treasurer
Date: December 20, 2002

TRIAD NITROGEN, L.L.C.

By: Timothy A. Dawson
Name: Timothy A. Dawson
Title: Vice President of Finance
and Treasurer
Date: December 20, 2002

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9

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Gordian Group, LLC

Board of Directors
Mississippi Chemical Corporation
Page 10 of 10
December 20, 2002

MCC INVESTMENTS, INC.

By: _____

Name: _____
Title: _____

Date: _____

MISSISSIPPI CHEMICAL MANAGEMENT
COMPANY

By: _____

Name: Timothy J. Dawson
Title: Vice President of Finance
and Treasurer

Date: December 20, 2002

MISSISSIPPI CHEMICAL COMPANY, L.P.

By: Mississippi Chemical Management Company,
General Partner

By: _____

Name: Timothy J. Dawson
Title: Vice President of Finance
and Treasurer

Date: December 20, 2002

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10

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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 18 day of May, 2003.

James W. O'Mara
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

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

MAY 16 2003

CHARLENE J. KENNEDY, CLERK
BY _____ DEPUTY

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

CASE NO. 03- _____
Chapter 11
Jointly Administered

**APPLICATION FOR AUTHORITY
TO RETAIN AND EMPLOY CERTAIN PROFESSIONALS
UTILIZED IN THE ORDINARY COURSE OF BUSINESS**

COME NOW Mississippi Chemical Corporation, *et al.*, Debtors and debtors-in-possession in these jointly administered reorganization proceedings ("Debtors"), and submit their Application for an order authorizing them to retain and employ certain professionals utilized in the ordinary course of business ("Application"). In support of the Application, 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.

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.

3. The Court has jurisdiction over this Application 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 Application is sought pursuant to §§ 105 and 327 of the Bankruptcy Code.

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

Relief Requested

5. The Debtors request that the Court approve the employment of the Ordinary Course Professionals (as defined below) for specific purposes other than the conduct of these reorganization cases and the Debtors' reorganization efforts.

6. The Debtors regularly call upon certain professionals, including attorneys, auditors and special consultants (collectively "Ordinary Course Professionals"), in the usual course of managing their day-to-day affairs and operations. A schedule identifying each Ordinary Course Professional expected to be utilized by the Debtors is attached as Exhibit "A" and may, from time to time, be amended. Also identified on Exhibit "A" are the special purposes for which each Ordinary Course Professional will be retained.

7. It is necessary for the Debtors to employ and compensate the Ordinary Course Professionals in order to continue operating their businesses in sound and prudent fashion. The continued and uninterrupted services of the Ordinary Course Professionals are vital to the Debtors' continuing operations and their ability to effectively reorganize.

8. The Debtors believe it unnecessary and unduly burdensome in both time and expense, both to the Court and to their respective estates, to require the filing and noticing of individual applications for the retention of each of the Ordinary Course Professionals.

Accordingly, the Debtors seek approval of the Ordinary Course Professionals jointly pursuant to the terms set forth below.

Proposed Terms of Employment and Procedure

9. During the pendency of these Chapter 11 reorganization proceedings, the Debtors anticipate employing the Ordinary Course Professionals listed on Exhibit "A" on an ongoing basis or at some point in the future, if not already employed, and for the purposes stated thereon. The Ordinary Course Professionals will be paid at their normal rates as set forth in the § 329 Statement of Compensation included in the affidavits to be filed by each (each an "Affidavit")

10. No Ordinary Course Professional may be employed or paid until an Affidavit has been filed. Each Affidavit will be filed with the Court and served upon the U.S. Trustee on or before twenty (20) days after the later of (a) entry of an Order granting this Application or (b) the engagement of such professional by the Debtors. The Affidavit will be in a form substantially similar to that attached hereto as Exhibit "B". If no objection to an Affidavit is filed with the Court within twenty (20) days of the filing of the Affidavit, the Debtors shall be authorized to employ the Ordinary Course Professional *nunc pro tunc* to the Debtors' petition dates without further order of the Court.

11. All Ordinary Course Professionals will apply to the Court for compensation for professional services rendered and for reimbursement of expenses incurred, in accordance with applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, the Local Bankruptcy Rules of this Court and any other applicable orders or guidelines entered herein.

12. Payment of compensation and reimbursement of expenses will be subject to orders of the Court.

13. Although certain of the Ordinary Course Professionals represented the Debtors pre-petition and may hold minor amounts of unsecured claims against the estates of the Debtors.

the Debtors believe that none of them holds any material adverse interest to those of the Debtors or their respective estates or any interested parties with respect to the matters on which such Ordinary Course Professional is to be employed, and that they therefore comply with Bankruptcy Code § 327(e).

14. The Debtors further believe that each of the other Ordinary Course Professionals is a disinterested person as required under the Bankruptcy Code and Rules as stated in each respective Affidavit filed thereby.

15. The Ordinary Course Professionals will not be representing the Debtors in conducting these reorganization cases or in the formulation of any plan of reorganization.

16. The Debtors believe that they and their estates will be best served by retention of the Ordinary Course Professionals pursuant to the terms and procedures herein. Further, the past experience with the Debtors and their operations makes the continued, uninterrupted employment of the Ordinary Course Professionals in the best interests of all interested parties herein. The Debtors reserve the right to supplement or amend Exhibit "A" as and when necessary.

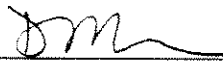
17. Notice and Service of this Application were provided to all parties listed on Schedule 1 attached hereto in the form and manner set forth therein, and the Debtors submit that such notice and service are sufficient under the circumstances.

WHEREFORE, the Debtors respectfully request that the Court enter an Order authorizing retention and employment of the Ordinary Course Professionals pursuant to the terms and procedure proposed herein, effective as of the Debtors' petition dates, and granting such other relief the Court deems just and proper.

[Signatures On Following Page]

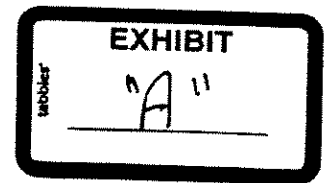
Respectfully submitted,

MISSISSIPPI CHEMICAL CORPORATION, *et al.*

By: 
James W. O'Mara, MB #3929
Douglas C. Noble, MB #10526
Christopher R. Maddux, MB #100501

PHELPS DUNBAR LLP
Suite 500, SkyTel Centre North
200 South Lamar Street
Post Office Box 23066
Jackson, Mississippi 39225-3066
Telephone: (601) 352-2300
Facsimile: (601) 360-9777

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



MISSISSIPPI CHEMICAL CORPORATION
ORDINARY COURSE COUNSEL

1. Brunini, Grantham, Grower & Hewes, PLLC
Post Office Drawer 119
Jackson, Mississippi
Telephone No.: 601-948-3101
Services provided: Litigation, Regulatory and General Corporate for Mississippi Chemical Corporation, MissChem Nitrogen, L.L.C., Mississippi Phosphates Corporation, Mississippi Chemical Company, L.P., and Triad Nitrogen, L.L.C.
Primary Contact: Christopher A. Shapley (Direct No. 601-960-6875)
2. Rodey, Dickason, Sloan, Akin & Robb, P.A.
123 East Marcy Street, Suite 101
Santa Fe, New Mexico 87501-2034
Telephone No.: 505-954-3903
Services provided: Litigation, Regulatory and Labor/Employment for Mississippi Potash, Inc. and Eddy Potash, Inc.
Primary Contact: Mark K. Adams
3. Jones, Walker, Waechter, Poitevent, Carrère & Denègre, L.L.P.
First NBC Building
201 St. Charles Avenue
New Orleans, LA 60170-5100
Telephone No.: 504-582-8620
Services provided: Litigation and Labor/Employment for Triad Nitrogen, L.L.C.
Primary Contact: Patrick J. Veters
4. Daniel, Coker, Horton & Bell, P.A.
Post Office Box 1084
Jackson, MS 39205
Telephone No.: 601-969-7607
Services provided: Litigation for Mississippi Chemical Corporation, MissChem Nitrogen, L.L.C., and Mississippi Phosphates Corporation.
Primary Contact: John B. Clark
5. Swidler Berlin Shereff Friedman, LLP
3000 K Street, N.W., Suite 300
Washington, DC 20007-5116
Telephone No.: 202-424-7810
Services Provided: Antitrust Law.
Primary Contact: Paul T. Denis

6. Akin, Gump, Strauss, Hauer & Feld, L.L.P.
1333 New Hampshire Avenue, N.W.
Suite 400
Washington, DC 20036
Telephone No.: 202-887-4112
Services provided: International Trade.
Primary Contact: Valerie A. Slater

7. Oblon, Spivak, McClelland, Maier & Neustadt, P.C.
Fourth Floor
1755 Jefferson Davis Highway
Arlington, VA 22202
Telephone No.: 703-412-6456
Services provided: Patent/Trademark.
Primary Contact: David J. Kera

8. Lemle & Kelleher, L.L.P.
21st Floor, Pan-American Life Center
601 Poydras Street
New Orleans, LA 70130-6097
Telephone No. 504-584-9126
Services provided: Litigation for Triad Nitrogen, L.L.C.
Primary contact: Edward L. Edwards, Jr.

9. McKenna & Cuneo, LLP
1900 K Street, N.W.
Washington, D.C. 20006-1108
Services provided: Harbor Maintenance Tax Lawyer
Primary contact: Peter Buck Feller

EXHIBIT "B"

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

In re:)
)
MISSISSIPPI CHEMICAL)
CORPORATION, *et al.*¹) CASE NO. 03-_____
) Chapter 11
Debtors.) **Jointly Administered**
_____)

**AFFIDAVIT AND § 329 STATEMENT OF COMPENSATION OF

AS
ORDINARY COURSE OF BUSINESS PROFESSIONAL**

STATE OF _____)
)
COUNTY OF _____)

_____, being duly sworn, deposes and states as follows:

1. I am a partner of the law firm of _____, located at _____ (the "Firm"). This Affidavit is submitted in support of the Debtors' Application to Retain and Employ Certain Professionals in the Ordinary Course of Business ("Application").
2. Mississippi Chemical Corp. and certain of its debtor subsidiaries (collectively, the "Debtors") have requested that the Firm continue to provide legal services to the Debtors, and the Firm has consented to provide such services.
3. The Firm has provided legal representation to the Debtors prior to the filing of these cases in matters unrelated to their filing or preparation therefor. The Firm will not be involved in the administration of these reorganization cases or in formulation of a plan of reorganization.

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

EXHIBIT "B"

4. The Firm may have performed services in the past and may perform services in the future, in matters unrelated to these chapter 11 cases, for persons that are parties in interest in the Debtors' chapter 11 cases. As part of its customary practice, the Firm is retained in cases, proceedings, and transactions involving many different parties in interest in these chapter 11 cases. The Firm does not perform services for any such person in connection with these chapter 11 cases. In addition, the Company does not have any relationship with any such person, their attorneys, or accountants that would be adverse to the Debtors or their estates.

5. Neither I nor any principal of or professional employed by the Firm, insofar as I have been able to ascertain, holds or represents any interest adverse to the Debtors or their estates with respect to the matters for which the Firm is to be retained in accordance with Section 327(e) of the Bankruptcy Code.

6. The Firm will continue its inquiries regarding its retention by any creditors of the Debtors, and upon conclusion of that inquiry, or at any time during the period of its employment, if the Firm should discovery any facts bearing on the matters described herein, the Firm will supplement the information contained herein.

7. At this time, it is not possible to estimate the amount of time which will be required to perform the services referred to herein and, accordingly, it is not possible to estimate the total cost thereof. The Firm will calculate its fees for professional services by reference to hourly rates for these services (as such rates are subject to normal adjustment from time to time for inflation and other factors) as follows:

Company; Mississippi Phosphates Corporation; Mississippi Potash, Inc.; Eddy Potash, Inc.; Triad Nitrogen, L.L.C.; and Melamine Chemicals, Inc.

EXHIBIT "B"

<u>Personnel Classification</u>	<u>Hourly Billing Rates</u>
Partner/Principal	\$ ____ - \$ ____
Associate/Senior Attorney	\$ ____ - \$ ____
Paraprofessional	\$ ____ - \$ ____

The Firm customarily revises its regular hourly rates each year on the ____ day of _____ and will request that effective _____ 1st of each year the aforementioned rates be revised to reflect the hourly rates in effect at that time. In addition, subject to Court approval, reasonable out-of-pocket expenses, including travel, delivery service and other costs incurred in providing the services are included at actual cost, in the total amount billed.

8. The Firm intends to apply for compensation for professional services to be rendered in connection with these Chapter 11 cases and for reimbursement of expenses incurred, in accordance with applicable provisions of the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure, the Local Bankruptcy Rules of the United States Bankruptcy Court for the Southern District of Mississippi and any other applicable orders or guidelines.

9. The sole source of compensation to be paid to the Firm in these Chapter 11 cases is property of Debtors now or hereafter acquired.

10. The Firm has not shared or agreed to share any of its compensation in this case with any other external person.

11. Affiant further states this affidavit, to the best of (his/her) knowledge, is in accordance with Sections 327(e) and 329(a) of the Bankruptcy Code and Bankruptcy Rules 2014 and 2016.

[Signatures On Following Page]

EXHIBIT "B"

FURTHER AFFIANT SAYETH NOT.

(Name)

Subscribed and sworn to before me this _____ day of _____, 2003.

Notary Public

My Commission Expires:

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

US BANKRUPTCY COURT
SOUTHERN DISTRICT OF MS
FILED

2003 JUN -3 PM 1:45

CHARLES J. KENNEDY
CLERK

In re:

MISSISSIPPI CHEMICAL
CORPORATION, *et al.*¹

Debtors.

CASE NO. 03-02984 WEE
Chapter 11
Jointly Administered

**AMENDED MOTION PURSUANT TO § 365 FOR APPROVAL OF
ASSUMPTION OF EXECUTORY CONTRACTS**

COME NOW Mississippi Chemical Corporation, *et al.*, Debtors and debtors-in-possession in these jointly administered reorganization proceedings (collectively "Debtors"), and file this their amended motion for Order(s) approving their assumption of certain executory contracts ("Amended Motion"), and in support of this motion would respectfully show as follows:

1. On May 15, 2003 (the "Petition Date"), the Debtors filed their voluntary petitions 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 Amended 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 Amended

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.

Motion is sought pursuant to § 365 of the Bankruptcy Code and Bankruptcy Rules 6006 and 9014.

Summary of Operations

4. 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.

5. 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.

6. 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.

7. The Debtors produce potash at two mines and related facilities and operate a granular compaction plant near Carlsbad, New Mexico. The Debtors' potash reserves are controlled under long-term federal and state potassium leases on approximately 100,000 surface acres, which consist of approximately 220,000 subsurface acres due to the naturally occurring overlap of ore zones in the Carlsbad potash basin. The majority of the Debtors' agricultural potash sales are in domestic markets in the states west of the Mississippi River where it enjoys freight cost advantages over Canadian and overseas potash producers.

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

Summary of Financing

9. 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.

10. 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.

11. 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

12. 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.

13. 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

14. 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.

15. 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.

16. 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.

17. 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

18. The Debtors are parties to certain executory contracts (the "Contracts") that it deems of utmost significance to their business operations, all of which are more fully identified as to each Debtor on Exhibit "A" (MissChem Nitrogen), Exhibit "B" (Mississippi Phosphates), Exhibit "C" (Triad Nitrogen), Exhibit "D" (Mississippi Potash), Exhibit "E" (Mississippi Chemical Corporation) and Exhibit "F" (Melamine) attached hereto and incorporated herein by reference. The Contracts vary in type from contracts to purchase raw materials necessary to manufacturing the Debtors' products to contracts that provide necessary security at Debtors' chemical manufacturing facilities, a stock purchase agreement and various contracts necessary to ensure the timely completion and timely initial operation of the newly acquired Melamine Chemicals, Inc. facility that is in its start-up phase.

19. Exhibits "A" through "F" include a brief description of the nature of the Contract sought to be assumed and its importance to the estates, the cure amount, if any, and the expected amount of the remaining obligations owed by the Debtors thereunder. The Debtors are informed and believe that the other parties to the Contracts have no objection to the Debtors' assumption of the Contracts.

20. In order to avoid a voluminous filing, the Debtors have not attached the Contracts hereto but will provide to any interested party copies thereof upon request for same made to undersigned counsel for the Debtors.

Authority

21. Section 365 of the Bankruptcy Code permits the Debtors to assume or reject executory contracts at any time prior to confirmation.

22. Section 365 of the Bankruptcy Code contains the rules governing executory contracts. Neither § 365, nor any other section of the Bankruptcy Code, provides a precise definition of the term “executory contract.” Due to the lack of a precise definition in the Bankruptcy Code, courts construing section 365 have encountered some difficulty in framing the definition of an “executory contract.” *Matter of Crippin*, 877 F.2d 594, 596 (7th Cir. 1989). However, the majority of courts confronting this issue have adopted the definition offered by Professor Vern Countryman, which provides:

A contract under which the obligations of both the bankrupt and the other party to the contract are so far unperformed that the failure of either to complete performance would constitute a material breach excusing the performance of the other.

Countryman, *Executory Contracts in Bankruptcy*: Part I, 57 Minn. L. Rev. 439 (1973). The United States Fifth Circuit Court of Appeals has adopted the Countryman definition of executory contracts. *See, e.g., Stewart Title Guar. Co. v. Old Republic Nat’l Title Ins. Co.*, 83 F.3d 735, 741 (5th Cir. 1994). The legislative history behind § 365 also supports the application of the Countryman definition. *See* S. Representative No. 989, 95th Cong., 2d Sess. 58, reprinted in 1978 U.S. Code & Admin. News 5787, 5844 (“[t]hough there is no precise definition of what contracts are executory, it generally includes contracts on which performance remains due on both sides.”). Further, at least one court addressing the issue has held that the definition of an executory contract should be very broad. *In re: III Enterprises, Inc.* V, 163 B.R. 453, 458 (Bankr. E.D. Pa. 1994), *aff’d*, *Pueblo Chemical, Inc. v. III Enterprises, Inc.* V, 169 B.R. 551.

23. An obligation is deemed “material” if its nonperformance would excuse the other party from performing its obligations under the contract. *Matter of Murexco Petroleum Co.*, 15 F.3d 60, 62-63 (5th Cir. 1994); *In re: WRT Energy Corp.*, 202 B.R. 579, 582 (Bankr. W.D. La. 1996). While federal law controls the issue of whether a particular contract is executory, the

applicable state law controls the issue of whether an obligation is material. *See, e.g., In re: Streets & Beard Farm Partnership*, 882 F.2d 233, 235 (7th Cir. 1989). The determination of whether a particular contract is executory must be made on a case-by-case basis. The relevant date for analyzing whether a particular contract is executory is the date the bankruptcy petition was filed. *In re: General Homes Corp.*, 199 B.R. 148, 151 (S.D. Tex. 1996); *In re: Spectrum Information Technologies, Inc.*, 190 B.R. 741, 747 (Bankr. E.D. N.Y. 1996). Material obligations remain under the Contracts, which are required in order for the Debtors to realize the benefits of the Contracts; accordingly, the Contracts are executory contracts.

24. Under § 365, a debtor generally has the power, subject to court approval, to either assume or reject executory contracts to which it is a party. 11 U.S.C. § 365(a). In judging the propriety of a debtor's decision to reject an executory contract, most courts, including the Fifth Circuit, have applied a "business judgment" standard. *See Sharon Steel Corp. v. National Fuel Gas Distrib. Corp. (In re: Sharon Steel Corp.)*, 872 F.2d 36, 39-40 (3rd Cir. 1989); *Richmond Leasing Co. v. Capital Bank, N.A.*, 762 F.2d 1303, 1309 (5th Cir. 1985); *see also NLRB v. Bildisco & Bildisco*, 465 U.S. 513, 523 (1984) (describing business judgment test as "traditional"). The Debtors to date have neither assumed nor rejected any executory contracts, namely the Contracts more fully specified on the Exhibits attached hereto, and seek to do so now.

25. In the exercise of their business judgment, the Debtors have determined that the immediate assumption of the Contracts is the best available means for addressing the operational issues that exist with respect to each Contract party, is in their best economic interests and is necessary to enable them to continue the operation of their business.

26. The Contracts are of significant importance to the Debtors' reorganization efforts and are necessary to its formulation of a successful Plan of Reorganization. These Contracts, which are but a few of several hundred, are critical to the Debtors' operations and to ensure that the Debtors' relationships with the contracting parties are not harmed in any way. The Debtors' assumption of the Contracts is timely under § 365(d)(2) and (d)(4). Accordingly, the Debtors request that the Court approve assumption of the Contracts and submit that good cause exists for granting such approval pursuant to § 365 of the Bankruptcy Code.

WHEREFORE, PREMISES CONSIDERED, the Debtors request that the Court enter an Order approving the Debtors' assumption of the Contracts identified on Exhibits "A" through "F" attached hereto in accordance with § 365 of the Bankruptcy Code and that the Debtors be granted such other relief to which they are entitled.

[signature on following page]

Respectfully submitted,

MISSISSIPPI CHEMICAL CORPORATION, *et al.*

By: 

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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 set forth above.

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



JAMES W. O'MARA
DOUGLAS C. NOBLE

COMPANY**MISSCHEM NITROGEN****Vendor:**

Address:

Marley Cooling Tower

P. O. Box 808

Walker, LA 70785

Date of Contract:

03/28/2001

Contract Expiration Date:

03/27/2004

Type of Contract:

Service & Repair Contract No. 61601005

- Amount Needed to Cure: \$21,082
- Expected Future Amount \$12,000 by contract expiration

Why Contract is Critical:

Potential providers of this type of service are extremely LIMITED in number. The other provider available to debtor is much more expensive—with results that are no better. The terms of this contract are very favorable to Debtor. The Debtor's relationship with this vendor is extremely important because Debtor and vendor must cooperate in complex scheduling and coordinating of cooling tower repairs during a plant turnaround. Failure to perform necessary repairs on the cooling towers while the plants are down for scheduled maintenance will result in unscheduled downtime of the towers, resulting in loss of scheduled production until repairs could be made.

Vendor:

Address:

Knighthawk Engineering (formerly Borsig)

17625 El Camino Real, Suite 412

Houston, Texas 77058

Date of Contract:

05/19/2002

Contract Expiration Date:

05/19/2004

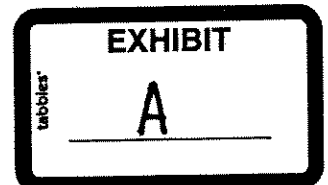
Type of Contract:

Engineering Services

- Amount Needed to Cure: \$72,775
- Expected Future Amount \$49,000 needed to complete current work

Why Contract is Critical:

The vendor's services are required for several repairs, one being the repair of the Atlas Copco compressor in the #4 Ammonia plant. The vendor has redesigned the impeller bolt and is redesigning the impeller. Their failure investigation, design efforts and commissioning support are critical to reliable operation of and startup of compressor, which in turn is required for operation of the #4 Ammonia plant. Knighthawk also has provided critical engineering support for redesign of a waste heat boiler in the #10 acid plant, and they will be providing engineering support for a valve failure problem in the #3 ammonia plant. The combination of vendor's knowledge of the specific structure of parts of our particular plants and vendor's investigation and design expertise are not available from any other source.



Vendor: **Martin Marietta Basic Product**
Magnesia Specialties Division
Address: P. O. Box 15470
Baltimore, MD 21220-0470

Date of Contract: 01/02/2003
Contract Expiration Date: 12/31/2003

Type of Contract: Blanket Contract

- **Amount Needed to Cure:** \$ 58,233
- **Expected Future Amount** \$700,000

Why Contract is Critical: *This vendor supplies magnesium oxide, or MgO, which is essential for the production of ammonium nitrate. There are only two acceptable MgO suppliers in the USA. Debtor utilizes both suppliers to ensure competitive pricing and reliability of supply (since each vendor is sometimes unable to deliver). Interruption of MgO supply could cause ammonium nitrate plant to be shut down; therefore, back-up supplier is essential. Debtor pays only for quantity it orders and receives.*

Vendor: **Premier Services Corporation**
Address: 7251 Engle Road
Middleburg Heights, OH 44130

Date of Contract: 01/02/2003
Contract Expiration Date: 12/31/2003

Type of Contract: Blanket Purchase Order

- **Amount Needed to Cure:** \$ 30,152
- **Expected Future Amount** \$200,000

Why Contract is Critical: *This vendor supplies magnesium oxide, or MgO, which is essential for the production of ammonium nitrate. There are only two acceptable MgO suppliers in the USA. Debtor utilizes both suppliers to ensure competitive pricing and reliability of supply (since each vendor is sometimes unable to deliver). Interruption of MgO supply could cause ammonium nitrate plant to be shut down; therefore, back-up supplier is essential. Debtor pays only for quantity it orders and receives.*

Vendor (in original motion):

Address:

Formosa Plastics Corporation

9 Peach Tree Hill Road

Livingston, NJ 07039-5702

Date of Contract:

01/02/2003

Contract Expiration Date:

12/31/2003

Type of Contract:

Blanket Purchase Order

- Amount Needed to Cure: \$ 8,279
- Expected Future Amount \$20,000

Why Contract is Critical:

This vendor supplies caustic, which is essential for treating water from the cooling tower as mandated by Mississippi Department of Environmental Quality and U.S. Environmental Protection Agency. Purchases are virtually daily. The number of potential suppliers is limited. Debtor pays only for quantity it orders and receives.

Vendor (in original motion):

Address:

Harcros Chemicals

1030 Wholesale Row

Jackson, MS 39284-8278

Date of Contract:

01/02/2003

Contract Expiration Date:

12/31/2003

Type of Contract:

Blanket Purchase Order

- Amount Needed to Cure: \$ 3,240
- Expected Future Amount \$15,000

Why Contract is Critical:

This vendor supplies chlorine, which is essential for treating water from the cooling tower. The vendor is the ONLY supplier located in the plant area, and its location greatly reduces freight cost to Debtor. In addition, vendor maintains a supply on Debtor's site for Debtor's purchase (on favorable terms) when needed. Purchases are virtually daily. The number of potential suppliers is limited. Water treatment is mandated by Mississippi Department of Environmental Quality and U.S. Environmental Protection Agency. Debtor pays only for quantity it orders and receives.

Vendor: Corsicana Technologies, Inc.
Address: P. O. Box 1898
Corsicana, Texas 75151

Date of Contract: 01/01/2003
Contract Expiration Date: 12/31/2003

Type of Contract: Blanket Purchase Order

- Amount Needed to Cure: \$43,059
- Expected Future Amount \$50,000

Why Contract is Critical: This vendor supplies amine, necessary in the manufacture of ammonium nitrate. There are two acceptable vendors available to Debtor, and Debtor utilizes both to ensure competitive pricing and security of supply. This vendor provides product delivery on favorable terms. Debtor pays only for quantity it orders and receives.

Vendor: Bareco Products
Address: P. O. Box 10312
140 East Main Street
Rock Hill, SC 29730

Date of Contract: 01/02/2003
Contract Expiration Date: 12/31/2003

Type of Contract: Blanket Purchase Order

- Amount Needed to Cure: \$38,613
- Expected Future Amount \$45,000

Why Contract is Critical: This vendor supplies a special type of wax used in the manufacture of ammonium nitrate. The wax was developed by Debtor's R&D Department. This vendor is the only acceptable source Debtor has found to make this specialty product. Debtor pays only for quantity it orders and receives.

Vendor: **Cinergy Marketing & Trading, LP (Cinergy)**
Address: 1100 Louisiana, Suite 4900
Houston, TX 77002

Date of Contract: 04/01/01 (with Mirant Americas Energy Marketing, LP, which assigned the contract to Cinergy on 10/23/02)

Contract Expiration Date: Contract term was 04/01/01 through 03/31/03 and month to month thereafter unless terminated by either party with at least thirty (30) days prior notice. Parties have allowed the contract to continue in month to month evergreen while negotiating a new contract.

Type of Contract: Natural Gas Supply to Debtor

- **Amount Needed to Cure:** \$60,160.94
- **Expected Future Amount** Up to 35,000 MMBtu/Day which, based on assumed \$5.00 per MMBtu gas price, would cost approximately **\$5.3 million a month**. Debtor expects to need about 31,000 MMBtu/Day for the foreseeable future.

Why Contract is Critical: *Cinergy is Debtor's major supplier of natural gas, providing approximately 50% of Debtor's total gas requirements. Natural gas is Debtor's major raw material, not used merely as a source of power. If Cinergy were to terminate the existing contract without our having reached agreement for a replacement contract, Debtor could not quickly replace Cinergy with an alternate competitive supplier. (Debtor's belief is based on information gathered earlier this year when Debtor sought competitive bids for replacing the Cinergy supply.) Also, gas purchased from Cinergy is delivered from Texas Eastern's pipeline, which is advantageous to Debtor. Debtor pays only for quantity it orders and receives.*

Vendor (in original motion): **American Citadel Guard, Inc.**
Address: 11848 S. Harrells Ferry Rd., Suite A
P.O. Box 77422
Baton Rouge, LA 70879-7422

Date of Contract: 02/10/2003
Contract Expiration Date: 02/10/2004

Type of Contract: Security Services Contract

Amount Needed to Cure: \$ 25,945
Estimated through 12/31/03 \$190,000

Why Contract is Critical: *Guards provided by this vendor control access to plant for employees, suppliers, customers and emergency responders. Interruption of service is not acceptable. In addition, Debtor has regulatory obligations to guard certain products, such as those used in the manufacture of illegal drugs (meth) or subject to abuse (ammonium nitrate).*

Vendor: Entergy Mississippi, Inc.
Address: L-ENT-26C
639 Loyola Avenue
New Orleans, LA 70113
P. O. Box 61000
New Orleans, LA 70161

Date of Contract: 06/16/1997
Contract Expiration Date: 06/14/2004

Type of Contract: Service Contract

- **Amount Needed to Cure:** \$223,994
- **Expected Future Amount** \$600,000 in 2003

Why Contract is Critical: *This vendor is the sole provider of electricity to Debtor's plant (other than Debtor's own cogeneration plant). Vendor has made it clear that if Debtor fails to pay prepetition debt, vendor will require a \$1,000,000 dollar deposit, which would significantly and adversely affect Debtor's liquidity and opportunity for recovery. Debtor believes that if it is allowed to pay its prepetition debt, vendor would permit payment terms which would be beneficial to Debtor.*

Vendor: Southern Heat Exchanger Corp.
Address: P. O. Box 1850
Tuscaloosa, AL 35403

Date of Contract: 09/17/2002
Contract Expiration Date: 06/06/2003 *However, vendor has refused to deliver.*

Type of Contract: Purchase order

- **Amount Needed to Cure:** \$107,746
- **Expected Future Amount** \$ 2,500

Why Contract is Critical: *The heat exchanger tube bundle vendor has fabricated a replacement for the heat exchanger tube bundle now in service in Debtor's No. 8 Nitric Acid Plant. The tube bundle now in service is at the end of its useful life, and another repair to extend its life is not feasible. The No. 8 Nitric Acid Plant cannot be operated without a heat exchanger in service. Debtor has already paid \$366,944 in progress payments toward the cost of this heat exchanger. The work remaining by the vendor is minimal except for its final performance in delivering the heat exchanger to the plant and installing it. Vendor has told Debtor that the heat exchanger tube bundle will not be shipped to Debtor until the balance owing (\$107,746) is paid to vendor.*

COMPANY**MISSISSIPPI PHOSPHATES****Vendor:****K. R. Bories Construction Company****Address:**

3300 Oak Street
Gautier, MS 39533

Date of Contract:

01/31/03

Contract Expiration Date:

01/31/04

Type of Contract:

Service Contract No. 63293024

- Amount Needed to Cure: \$ 12,860
- Expected Future Amount \$182,000 in 2003

Why Contract is Critical: *This vendor is the only local vendor available to enable Debtor to unload ships delivering phosphate rock, its most basic raw material, by moving Debtor's heavy unloading equipment from shore to ship. This vendor's equipment is barge-mounted and capable of pulling up to Debtor's dock or a ship at the dock. For Debtor to contract with someone else from outside the area would be prohibitively expensive because of the enormous cost in moving another vendor's equipment in and out of Debtor's facility whenever a ship docks for unloading.*

Vendor:**ArrMaz Products****Address:**

P. O. Box 198902
Atlanta, GA 30384-8902

Date of Contract:

01/15/03

Expiration Date for Contract:

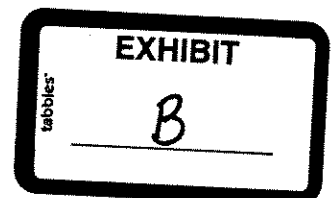
12/31/03

Type of Contract:

Blanket Purchase Order 3005095

- Amount Needed to Cure: \$ 97,527
- Expected Future Amount \$820,000 in 2003

Why Contract is Critical: *This vendor is the Debtor's sole source for a special oil that is required for coating and coloring product for export sales. Export sales make up one half of Debtor's total sales. Debtor pays only for quantity it orders and receives.*



Vendor: **V.I.P. International**
Address: P. O. Box 4147
Baton Rouge, LA 70821-4147

Date of Contract: 02/01/03
Expiration Date for Contract: 02/01/04

Type of Contract: Service Contract No. 63697018

Amount Needed to Cure: \$ 91,933.
Pending Work through 12/31/03 \$120,000

Why Contract is Critical: *This vendor is the best source—in terms of price and quality of work—for providing specialty work inside hot sulfuric acid towers and catalyst screening. The vendor's work is vital to sulfuric acid production, which in turn is vital to the operation of the overall plant.*

Vendor (in original motion): **Chevron U.S.A. Product Company**
Address: A Division of Chevron U.S.A., Inc.
575 Market Street – Room 330
San Francisco, CA 94105-2856

Date of Contract: 01/01/1996
Contract Expiration Date: 12/31/2003

Type of Contract: Sulphur Purchase Contract

Amount Needed to Cure: \$ 17,274
Estimated through 12/31/03 \$3,150,000

Why Contract is Critical: *This vendor is an important source of sulphur, a commodity now in very short supply. Sulphur is critical to the operation of the sulphuric acid plant, and therefore for the operation of the overall complex. A good relationship with this vendor is essential in Debtor's ability to maintain sulphur supplies.*

Vendor (in original motion): **Cheney Lime and Cement Company**
Address: P.O. Box 160
Allgood, AL 35013

Date of Contract: 02/03/03
Contract Expiration Date: 07/01/04

Type of Contract: Blanket Purchase Order for Lime

Amount Needed to Cure: \$ 49,000
Estimated through 12/31/03 \$450,000

Why Contract is Critical: *This vendor is an important source of lime for water treating. Purchases are needed immediately upon rainfall which may cause untreated runoff to enter Bayou Cassotte (adjacent to the plant). The number of potential lime suppliers is very limited, and Debtor attempts to do business and maintain a good relationship with the ones who serve its area. Water treatment is mandated by Mississippi Department of Environmental Quality and EPA.*

Vendor (in original motion): **Southern Lime Company**
Address: P.O. Box 182
Calera, AL 35040

Date of Contract: 02/03/03
Contract Expiration Date: 07/03/04

Type of Contract: Blanket Purchase Order for Lime

Amount Needed to Cure: \$ 16,680
Estimated through 12/31/03 \$330,000

Why Contract is Critical: *This vendor is an important source of lime for water treating. Purchases are needed immediately upon rainfall which may cause untreated runoff to enter Bayou Cassotte (adjacent to the plant). The number of potential lime suppliers is very limited, and Debtor attempts to do business and maintain a good relationship with the ones who serve its area. Water treatment is mandated by Mississippi Department of Environmental Quality and EPA.*

Vendor: English Boiler and Tube, Inc.
Address: P. O. Box 50218
Richmond, VA 23250-0218

Date of Contract: 02/05/2003

Type of Contract: Purchase Order No. 3005359

Amount Needed to Cure: \$ 67,280
Expected Future Amount \$336,398

Why Contract is Critical: *The vendor is constructing a package boiler to replace the Debtor's existing package boiler, which is old and unreliable. The vendor agreed to lend Debtor a replacement unit ("loaner") while it is constructing the new boiler.*

A working boiler is critical to Debtor because it is the sole source of steam when the sulfuric plants are shut down. Steam is required to keep sulfur molten and for sulfuric acid plant start-up. If steam is not available, the sulfuric plants are not operating and cannot be started up, and the sulfur supply cools down and solidifies, the entire complex of plants must be shut down and all production stopped.

On May 16, vendor ceased working on the new boiler and refused to install the loaner, which had been delivered to Debtor's site prepetition, until vendor receives a progress payment of \$67,280 due prepetition.

Vendor has indicated to Debtor that it will not resume work on the new boiler or install the loaner until the Court has entered an order permitting Debtor to assume the contract. While vendor had agreed to make the loaner available until August 1 free of charge, vendor had agreed to lend the loaner unit to someone else in August. Therefore, vendor has told Debtor it will rent a boiler to lend elsewhere and pass on the rental costs (2 month minimum) to Debtor.

COMPANY**TRIAD NITROGEN, L.L.C.****Vendor:****Harcros Chemicals Inc.**

Address:

P. O. Box 270
St. Gabriel, LA 70776-0270

Date of Contract:

01/01/2003

Contract Expiration Date:

12/31/2003

Type of Contract:

Blanket Purchase Order

Amount Needed to Cure:

\$ 1,756

Expected Future Amount

\$35,000

Why Contract is Critical: *This vendor supplies chlorine, which is essential for treating water and is critical to Debtor's manufacturing process. Chlorine is ordered and delivered as needed. The number of potential suppliers is limited. Debtor pays only for quantity it orders and receives.*

Vendor (in original motion):**Formosa Plastics Corporation**

Address:

9 Peach Tree Hill Road
Livingston, NJ 07039-5702

Date of Contract:

01/01/2003

Contract Expiration Date:

12/31/2003

Type of Contract:

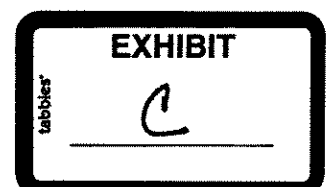
Blanket Purchase Order

- Amount Needed to Cure:
- Expected Future Amount

\$ 7,252

\$70,000

Why Contract is Critical: *This vendor supplies caustic, which is essential for treating water and is critical to Debtor's manufacturing process. Caustic is ordered and delivered as needed. The number of potential suppliers is limited. Debtor pays only for quantity it orders and receives.*



Vendor (in original motion):

Address:

Lofton Staffing Services214 Burnside Suite 204
Gonzales, LA 70737

Date of Contract:

08/15/2002

Contract Expiration Date:

08/15/2003

Type of Contract:

Service Contract (form of contract is an Invitation to Bid for Contract Guard Services, which, by its terms, becomes a contract when signed by both parties)

Amount Needed to Cure:

\$ 5,019

Expected Future Amount

\$50,000

Why Contract is Critical: Vendor provides guard services for complex. Guards control access to plant for employees, suppliers, customers and emergency responders. Interruption of service not acceptable. Debtor has regulatory obligations to guard certain products, such as those used in the manufacture of illegal drugs (meth).

Vendor:

Address:

Entergy Louisiana, Inc.L-ENT-26C
639 Loyola Avenue
New Orleans, LA 70113
P. O. Box 61000
New Orleans, LA 70161

Date of Contract:

01/14/1969; Account No. 540708

Contract Expiration Date:

Evergreen

Type of Contract:

Amount Needed to Cure:

\$ 139,148

Expected Future Amount

\$

Date of Contract:

01/14/1969; Account No. 540709

Contract Expiration Date:

Evergreen

Type of Contract:

Amount Needed to Cure:

\$ 62,160

Expected Future Amount

\$

Why Contract is Critical: This vendor is the sole provider of electricity to Debtor's plant. Debtor believes that if it is allowed to pay its prepetition debt, vendor would permit payment terms which would be beneficial to Debtor.

Vendor (in original motion):

Address:

Borden Chemical, Inc.

180 East Broad Street

Columbus, Ohio 43215-3799

Date of Contract:

03/19/2003

Contract Expiration Date:

January 2004

Type of Contract:

Stock Purchase Agreement

Amount Needed to Cure:

\$ 0

Expected Future Amount

\$526,250

Why Contract is Critical:

Payment due in January 2004 is earn-out payment based on performance of the company whose stock Debtor purchased. Meanwhile, Borden, expected to be a major customer in one of the Debtor's product lines, bears significant indemnification obligations related to the performance of the company whose stock Debtor purchased. Loss of this potential customer would materially impact Debtor's current marketing plan. A good relationship with Borden is considered critical to Debtor's being successful in the melamine business.

COMPANY**MISSISSIPPI POTASH****Vendor:****Akzo Chemicals Inc.****Address:**300 S. Riverside Plaza
Chicago, IL 60606

Date of Contract:

01/02/2003

Contract Expiration Date:

12/31/2003

Type of Contract:

Blanket Purchase Order No. 3001001

- Amount Needed to Cure: \$ 66,662
- Expected Future Amount \$647,357 in 2003

Why Contract is Critical: *Vendor supplies a special blend of long chain amine used by Debtor in its plant flotation system, where the mined potash is separated from impurities such as salt. This is a specially formulated blend of long chain amines that has been developed by vendor and Debtor over many years, and vendor is the only supplier that formulates this special blend. Inability to receive this product would cost Debtor substantially in loss of efficiencies in flotation process. Debtor pays only for quantities it orders and receives.*

Vendor:**DPC Industries, Inc.****Address:**3501 2nd St. SW 87105
Albuquerque, NM 87119

Date of Contract:

01/02/2003

Contract Expiration Date:

12/31/2003

Type of Contract:

Blanket Purchase Order No. 3001005

- Amount Needed to Cure: \$ 19,372
- Expected Future Amount \$148,134

Why Contract is Critical: *Vendor is Debtor's sole source for sodium hypochlorite, a chemical which is used in the flotation plant in refining Debtor's product and is essential to achieving the quality necessary for its market. Other sources are effectively unavailable to Debtor because of Debtor's isolated location, which results in excessive freight cost to Debtor from other suppliers. Debtor pays only for quantities it orders and receives*



Vendor: Chevron Phillips Chemical Co.
Address: P. O. Box 4910
The Woodlands, TX 77387

Date of Contract: 01/02/2003
Contract Expiration Date: 12/31/2003

Type of Contract: Blanket Purchase Order No. 3001010

- Amount Needed to Cure: \$ 28,775
- Expected Future Amount: \$171,128

Why Contract is Critical: *Vendor is Debtor's sole source for flotation oil, which is essential for maximum efficiency of the flotation process. (The oil adheres to the potash and causes it to float in the cells.) Debtor has tried various other oils in the past, but none have worked in its process. Debtor pays only for quantity it uses.*

Vendor: LSI Lubrication Services LP
Address: P. O. Box 1319
Hobbs, NM 88241

Date of Contract: 01/02/2003
Contract Expiration Date: 12/31/2003

Type of Contract: Blanket Purchase Order No. 3001008/3001009

- Amount Needed to Cure: \$ 44,272
- Expected Future Amount: \$227,389

Why Contract is Critical: *Vendor supplies D-Dust Oil, which is applied to Debtor's finished product as it is being loaded for transport to customers in order to control dust. Dust control is essential for use in agriculture and for customer satisfaction. Other products have been tried for dust control in the past, but this particular oil is superior in quality and price (other oils have even clogged Debtor's systems). Debtor pays only for quantity it orders and receives.*

Vendor: Joy Manufacturing Company
Address: P. O. Box 1319
Hobbs, NM 88241

Date of Contract: 01/02/2003
Contract Expiration Date: 12/31/2003

Type of Contract: Consignment Agreement

- Amount Needed to Cure: \$ 85,466
- Expected Future Amount: \$600,000

Why Contract is Critical: *Joy is the original manufacturer and supplier of Debtor's continuous miners used in the West Mine. These miners are the machines used to remove the potash ore from underground, an obviously essential function. While some parts for the miners can be purchased from other suppliers, there are many necessary parts for which this vendor is the sole source supplier. This vendor also allows Debtor to keep an inventory of parts at Debtor's warehouse and to pay for them only as they are used, an arrangement of substantial financial significance to Debtor. Debtor pays only for quantity it uses. [*

Vendor has filed a reclamation claim.

Vendor: DBT Industries, Inc.
Address: P. O. Box 1190
Huntington, UT 84528

Date of Contract: 01/02/2003
Contract Expiration Date: 12/31/2003

Type of Contract: Purchase Order

- Amount Needed to Cure: \$ 21,843
- Expected Future Amount: \$350,000

Why Contract is Critical: *Vendor is the original manufacturer and supplier of the mechanical portion of Debtor's conveyor belt systems and of haul cars for underground mine equipment. Vendor is the sole source for the majority of the replacement parts for this essential equipment. Debtor pays only for quantity it orders and receives.*

Vendor has filed a reclamation claim.

Vendor:

Address:

Plant ServicesP. O. Box 1356
Birmingham, AL 35201

Date of Contract:

04/08/2003

Contract Expiration Date:

05/05/2003

Type of Contract:

Purchase Order No. 3004408

- Amount Needed to Cure: \$17,400
- Expected Future Amount \$17,400 in 2003

Why Contract is Critical: *Vendor supplies Debtor with vacuum pumps at \$17,400 each, a significant cost savings. The only other known source of this type of vacuum is Nash Manufacturing, which has quoted Debtor \$60,000 per pump.*

Vendor:

Address:

Eimco Coal & Machinery1602 Greene
Carlsbad, NM 88220

Date of Contract:

01/02/2003

Contract Expiration Date:

12/31/2003

Type of Contract:

Consignment Agreement

- Amount Needed to Cure: \$ 42,935
- Expected Future Amount \$350,000

Why Contract is Critical: *Vendor is the manufacturer of Debtor's Eimco Continuous Miners, equipment which is vital to Debtor's process. Vendor is the sole source for the majority of the replacement parts. Debtor pays only for quantity it uses.*

is the original manufacturer and supplier of Debtor's continuous miners used in the East Mine. These miners are the machines used to remove the potash ore from underground, an obviously essential function. While some parts for the miners can be purchased from other suppliers, there are many necessary parts for which this vendor is the sole source supplier. This vendor has stopped providing parts to Debtor until this contract is assumed. Debtor pays only for quantity it orders and receives.

Vendor has filed a reclamation claim.

COMPANY**MISSISSIPPI CHEMICAL CORPORATION****Vendor:**

Address:

Crescent Technology, Inc.*

1615 Poydras St.

New Orleans, LA 70112

Date of Contract:

04/27/2000

Type of Contract:

Professional Services Agreement

- Amount Need to Cure: \$55,876 (approximately)
- Expected Future Amount \$89,752 (approximately)

Why Contract is Critical:

In order to provide services to Mississippi Phosphates Corporation ("Phosphates") pursuant to a management services agreement, Mississippi Chemical Corporation (MCC) contracted with this vendor to perform environmental testing/monitoring required by several permits/orders issued to Phosphates by the Mississippi Department of Environmental Quality. Vendor's work is necessary to comply with these permits/orders. Failure to comply could lead to permit revocation and the inability to continue operations.

Vendor:

Address:

Peel Consulting, PLLC**

140 Chapel Lane

Madison, MS 39110

Date of Contract:

08/07/2002

Contract Expiration Date:

12/31/03 or upon earlier completion of work

Type of Contract:

Contract No. 89602004 for Environmental Services

- Amount Needed to Cure: \$9,571.52
- Expected Future Amount \$20,000

Why Contract is Critical:

Mississippi Chemical Company, L.P. (MCCLP), owns a liquid fertilizer storage facility at Eufaula, Alabama, on property leased from the Alabama State Docks. MCCLP has determined that it no longer needs the storage facility and has agreed to sell it to Alabama Farmers. However, the Alabama State Docks will not release MCCLP from its lease until the property is approved by the Alabama Department of Environmental Management (ADEM). ADEM will not approve the property until MCCLP has proved that the soil and water under the facility meet

* Mississippi Chemical Corporation contracted for these services pursuant to a management services agreement with Mississippi Phosphates Corporation.

** Mississippi Chemical Corporation contracted for these services pursuant to a management services agreement with Mississippi Chemical Company, L.P.



certain environmental standards. In order to provide services to MCCLP pursuant to a management services agreement, Mississippi Chemical Corporation (MCC) contracted with Peel Consulting, PLLC, to assess the condition of the soil and water, to represent MCCLP before the ADEM, and to perform any clean-up work required. Peel Consulting was selected for these tasks because of their known expertise, their experience with ADEM and their employment of a geologist registered with the state of Alabama as required by ADEM. The work is underway. MCC and MCCLP believe that there are few, if any, other environmental consulting firms with the qualifications of Peel Consulting. More importantly, to switch contractors at this stage of the work would cause delay and additional cost and thereby further delay MCCLP's exit from the Eufaula facility.

COMPANY

MELAMINE CHEMICALS, INC.

Vendor:

Entergy Louisiana, Inc.

Address:

L-ENT-26C
639 Loyola Avenue
New Orleans, LA 70113
P. O. Box 61000
New Orleans, LA 70161

Date of Contract:

01/14/1969; Account No. 540707

Contract Expiration Date:

Evergreen

Type of Contract:

Amount Needed to Cure:

\$ 44,673

Expected Future Amount

\$ 30,000/month

Why Contract is Critical: *This vendor is the sole provider of electricity to Debtor's plant. Debtor believes that if it is allowed to pay its prepetition debt, vendor would permit payment terms which would be beneficial to Debtor.*

