

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

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

**STIPULATION AND AGREED ORDER RESOLVING OBJECTION
TO CLAIM # 8384 FILED BY UNITED STATES DEPARTMENT OF
INTERIOR/UNITED STATES FISH AND WILDLIFE SERVICE**

J.P. Morgan Trust Company, N.A., the Liquidating Trustee of the FI Liquidating Trust ("Liquidating Trustee") and the United States, on behalf of the United States Fish and Wildlife Service of the United States Department of the Interior ("FWS"), by and through their respective counsel, stipulate and agree as follows:

RECITALS

1. United States ("Claimant") filed claim #8384 (the "Claim") against Debtor Farmland Industries, Inc. ("Farmland") in the amount of \$270,172, based upon alleged natural resource damages pursuant to Section 1002(a) and (b) of the Oil Pollution Act of 1990 ("OPA"), 33 U.S.C. § 2702(a) and (b), resulting from a July 23, 2001 oil release from Farmland's oil pipeline in Osage County, Oklahoma (the "Site").

2. Debtors deny the Claimant's contentions and objected to the Claimant's allegations in the Claim as factually unsupported by the evidence, and on the grounds that Claimant had no jurisdiction to assert claims under the Oil Pollution Act and the Clean Water Act.

3. After extensive negotiations, Claimant and the Liquidating Trustee have reached an agreement resolving the Debtors' objection to the Claim, thus avoiding the costs and uncertainties associated with continued litigation.

4. The parties believe that this Stipulation and Agreed Order is in the public interest and is in the best interests of Farmland, the estate, creditors and parties in interest.

ACCORDINGLY, IT IS HEREBY STIPULATED AND AGREED THAT:

a. Claimant's Claim #8384 shall be allowed as a general unsecured claim against Farmland in the reduced amount of Eighty Thousand Dollars (\$80,000.00), which Claim shall be paid in accordance with the provisions of the confirmed Plan, in full and final satisfaction of the obligations of Farmland, its estate and the Liquidating Trustee with respect to the Site.

b. Payment shall be made by FedWire Electronic Funds Transfer ("EFT") to the U.S. Department of Justice ("DOJ") account in accordance with EFT instructions provided to the Liquidating Trustee by the Financial Litigation Unit of the U.S. Attorney's Office in the Western District of Missouri following entry of this Stipulation and Agreed Order. At the time of the payment, the Liquidating Trustee shall also send written notice to FWS and DOJ, at the below addresses that payment has been made:

Charles R. Babst, Jr.
Attorney-Advisor
U.S. Department of the Interior
Office of the Solicitor
Tulsa Field Solicitor's Office
Re: 14X5198 (NRDAR)
7906 East 33rd Street, Suite 100
Tulsa, OK 74145

Chief, Environmental Enforcement Section
Re: DJ No. 90-5-1-1-06976/4
U.S. Department of Justice
P.O. Box 7611
Washington, D.C. 20044-7611

ORDERED AND SO APPROVED.

Dated: February 1, 2005.

/s/ Jerry W. Venters
Honorable Jerry W. Venters
United States Bankruptcy Judge

AGREED TO AND ACCEPTED BY:

FOR J.P. MORGAN TRUST COMPANY, N.A., LIQUIDATING TRUSTEE TO SERVE

By: /s/ Cassandra L. Writz
Laurence M. Frazen MO #31309
Cynthia Dillard Parres MO #37826
Cassandra L. Writz MO #54624
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FOR THE UNITED STATES OF AMERICA, THE CLAIMANT

By: /s/ Catherine McCabe
CATHERINE McCABE
Deputy Chief
Environmental Enforcement Section
Environment and Natural Resources Division
U.S. Department of Justice

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(202 514-3145)

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

In Re:)	In Proceedings Under Chapter 11
)	
FARMLAND INDUSTRIES, INC., et al.,)	Case No. 02-50557-JWV
now known as REORGANIZED FLI, INC.,)	Joint Administration
)	
Debtors.)	

CERTIFICATE OF SERVICE

The undersigned, attorneys for J.P. Morgan Trust Company, NA, the Liquidating Trustee of the FI Liquidating Trust (the "Liquidating Trustee"), certify that the Stipulation and Agreed Order Resolving Objection to Claim #8384 filed by United States Department of Interior/United States Fish and Wildlife Service [docket #11242] was served by U.S. Mail, first class, postage prepaid, on the parties listed below on February 2, 2005:

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Lawrence, KS 66044

J.P. Morgan Trust Company, NA, the Liquidating Trustee
of the FI Liquidating Trust

By: /s/ Cassandra L. Writz

Laurence M. Frazen MO #31390

Cynthia Dillard Parres MO #37826

Cassandra L. Writz MO #54624

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