

July 31, 2007

Nicole Pfannenstiel
Sunflower Electric Power Corporation
PO Box 1020
Hays, Kansas 67601

Re: TANKS-R-US, Garden City, KS
Rural Economic Development Loan

Dear Ms. Pfannenstiel,

The Kansas Geological Survey (KGS) has received Sunflower Electric Power Corporation's July 6, 2007, request for environmental comments. The comment request is part of the grant application process for a USDA Rural Economic Development Loan. Pursuant to this project, Wheatland Electric Cooperative, Inc. will submit the loan application on behalf of TANKS-R-US, LLC (applicant). The grant will finance the applicant to start-up an oil-tank battery manufacturing business located in Garden City, KS. The project site consists of six existing heavy metal construction buildings on a 14.10 acre parcel of property. The buildings are owned by the applicant and the property will be leased from the City of Garden City, KS. The facility is zoned I-3, Heavy Industry. The buildings at the site appear to be associated with a previous agricultural manufacturing or distribution facility called Garst Seed Co, according to the site plan provided by Sunflower Electric. A review of current aerial photography and topographic maps indicate that the facility is topographically side-gradient to buildings and structures at the nearby Garden City Municipal Airport.

A review of regional geologic information along with the project summary provided by the Commission indicates that there are no unduly adverse geologic conditions that should affect this project. However, because the site is a former industrial facility, site specific environmental factors associated with the previous ownership and historical uses of this facility, as well as the nearby airport, may need to be considered to establish environmental due diligence. Environmental factors, if any, will likely be more site-specific in nature or dependent on past use of the facility (e.g., pesticides, herbicides, or offsite groundwater migration of contaminants associated with the aeronautical industry). However for the purposes of the application, clearance of the project should be granted. A completed request for environmental comments form is enclosed.

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This letter is an assessment based on the regional geologic conditions available at the KGS at the time of writing and cannot be used in substitute of a detailed site characterization. Other geologic conditions, not discussed herein, or for which the KGS has no knowledge, may affect the viability or safe operation of this facility or property. It is the responsibility of the applicant to provide any necessary characterization, geotechnical or environmental testing, or design by a licensed professional geologist or engineer to complete the project.

Sincerely,

A handwritten signature in black ink, appearing to read "Sh Lyle", written in a cursive style.

Shane Lyle, RG
Geology Extension Coordinator

Enclosures

cc: Dan Suchy, KGS Data Resources Library

AGENCY REVIEW TRANSMITTAL FORM

Comments by: Kansas Geological Survey

Transmittal Date: 7/06/07

PROJECT TITLE: TANKS-R-US

Notification of
Intent

☒

Pre-application

CONTACT PERSON: Nicole Pfannenstiel, Member Services Specialist

Final Application

Direct
Development

This form provides notification and the opportunity for your agency to review and comment on this proposed project as required by Executive Order 12372. Please complete Parts II and III as appropriate. Your prompt response will be appreciated.

RETURN TO:

Nicole Pfannenstiel
Sunflower Electric Power Corporation
PO Box 1020
Hays, KS 67601

PART I

REVIEW AGENCIES/COMMISSIONS

☐ Aging	☒ Education/Geological Survey, KS	☐ State Forester
☐ Agriculture - DWR	☐ Health & Environment	☐ Transportation
☐ Biological Survey, KS	☐ Historical Society	☐ Water Office, KS
☐ Conservation Commission	☐ Social & Rehabilitation Services	☐ Wildlife & Parks
☐ Corporation Commission	☐ Kansas Dept. of Commerce and Housing	☐ City/County
☐ Commerce	☐ Regional Planning Commission	☐ Human Resources

PART II (To be completed by review agency and returned to contact person)

AGENCY REVIEW COMMENTS

COMMENTS:

See cover letter

PART III (To be completed by review agency and returned to contact person)

RECOMMENDED ACTION COMMENTS

Clearance of the project should be granted.

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Clearance of the project should not be delayed, but the Applicant should (in the final application) address and clarify the questions or concerns indicated below.

Clearance of the project should not be granted.

Clearance of the project should be delayed until the issues or question have been clarified.

Request the opportunity to review final application prior to submission to the federal funding agency.

Request a State Process Recommendation in concurrence with the above comments.

DIVISIONS/AGENCY/COMMISSION

Reviewer's Name:

[Signature]

Date: 7-30-07



SUNFLOWER ELECTRIC POWER CORPORATION

A Touchstone Energy Cooperative 

July 6, 2007

William Harrison
Kansas Geological Survey
1930 Constant Ave., Campus KU West
Lawrence, KS 66047

RE: Request for Intergovernmental and Environmental Comments on Application for Rural Economic Development Loan project for TANKS-R-US, LLC.

Pursuant to the above project, please be advised Wheatland Electric Cooperative, Inc. of Scott City, Kansas will be submitting a Rural Economic Development loan application for TANKS-R-US, LLC.

The purpose of the \$740,000 loan is to provide financing assistance to the company for a business start-up to manufacture oil tank batteries in Finney County, Kansas. The total project cost is upwards of \$2,200,000. The company will provide the supplemental financing.

This project will comply with appropriate state laws concerning the application. The application will be sent to Brandon Prough, USDA Rural Development, 2715 Canterbury Drive, Hays, KS, 67601.

I request that you do the following:

1. Review the application information for program or environmental impacts.
2. Provide comments on attached Exhibit D form within 30 days.
3. Please mail or fax these responses to: Nikki Pfannenstiel
Sunflower Electric Power Corporation
PO Box 1020
Hays, KS 67601
VOICE (785) 623-3334
FAX (785) 623-3328

Please call me if you have any questions.

Sincerely,



Nicole M. Pfannenstiel
Member Services Specialist

PROJECT OVERVIEW

TANKS-R-US, LLC, a Kansas limited liability company, is requesting funding from USDA Rural Development in the amount of \$740,000 through the Rural Economic Development Loan Program. TANKS-R-US is working with Wheatland Electric Cooperative to submit the application to USDA.

TANKS-R-US is organized for the purpose of manufacturing vertical, cylindrical steel tanks, oil-field heaters and emulsion treaters for use in the oil and gas industry. The development of TANKS-R-US will progress in three phases. Phase 1, upon completion, will bring TANKS-R-US to a production level of 35 tanks per week. This will require the employment of up to 25 people, inclusive of production crews, sales personnel, office personnel and management. Phase 1 will activate Buildings 1, 2 and 3 as the offices/maintenance areas, tank manufacturing area and sandblasting/painting areas, respectively. (See Aerial photo.)

The basic objective for this business is to reduce or eliminate manufacturing/delivery backlog of oil tank products. The oil & gas industry currently endures a span of 12-16 months for delivery of an order. The supply and demand in the oil and gas market have grown farther apart in recent years and today, there are 87% fewer tank manufacturing companies to serve the needs of the industry than in the 1970's.

TANKS-R-US is located East of Garden City, Kansas, on KS Hwy 50/US 400, along a 7-mile divided stretch that also services the Garden City Regional Airport 1/4 mile away. The location was chosen because of existing structures and future growth expansion possibilities. The site consists of six buildings of heavy metal construction that occupies the property spanning 14 acres. The land, a parcel of 14.10 acres, is owned by the City of Garden City and will be leased. The buildings are owned by TANKS-R-US covering 85,650 sq. feet. (See Aerial photo and schematic drawing attached.)

The property is zoned I-3, Heavy Industry with a legal description as follows:
A tract of land located in Section Thirty-Four (34), Township Twenty-Five (25) South, Range Thirty-One (31) West of the 6th P.M. in Finney County, Kansas, being further described as follows: Commencing at the Southeast corner of Section Thirty-Four (34), Township Twenty-Five (25) South, Range Thirty-One (31) West of the 6th P.M., thence N90000'00"W on the South line of Section Thirty-Four (34) for a distance of 1090.20 feet to a point on the West right-of-way line of Highway #400; thence N22026'39"W on said right-of-way line for a distance of 4441.62 feet to the Point of Beginning; thence N90000'00"W for a distance of 890.84 feet; thence S0000'00"E for a distance of 187.00 feet; thence N90000'00"NW for a distance of 180.00 feet; thence N0000'00"E for a distance of 247.43 feet; thence N90000'00"E for a distance of 145.03 feet; thence N00005'53"E for a distance of 679.59 feet; thence N90000'00"E for a distance of 618.97 feet to a point on the West right-of-way line of Highway #400; thence S22026'39"E on said right-of-way line for a distance of 800.67 feet to the Point of Beginning. The above described tract contains 14.10 acres of land. The basis of bearings is the South line of Section Thirty-Four (34), being assumed to be N90000'00"W. (leased premises).

TANKS-R-US is in the process of obtaining all necessary permits from KDHE and working with the Department of Transportation for the business start up.

For more detailed information regarding this project, please contact:

TANKS-R-US, LLC

2195 South Hwy 50

Garden City, KS 67846

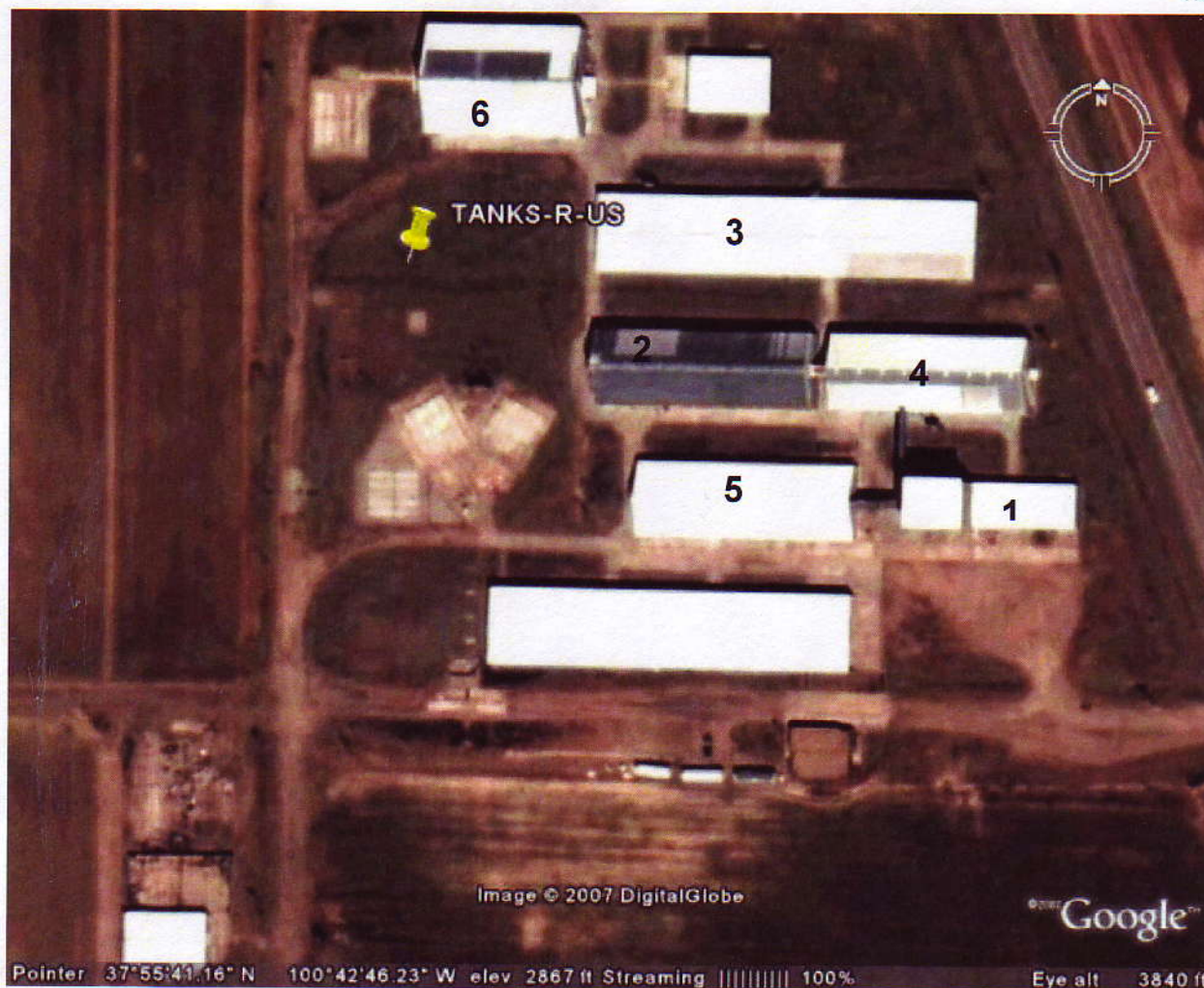
Roy Dixon, Business Manager

(785) 694-3247 cell

(620) 277-0700 fax

roy.dixon@sbcglobal.net





Key To TANKS-R-US, LLC Buildings On Property:

1. STAGE 1 – divided in thirds – EAST END – Offices/Reception/Restrooms
CENTER – Maintenance Department
WEST END – 4-story unit for location of future
Corporate offices/reception area
2. 1ST MANUFACTURING AREA
3. 1ST SANDBLASTING & PAINTING AREA
4. 2ND MANUFACTURING AREA
5. 3RD MANUFACTURING AREA
6. STAGE 3 – POLYVINYL (POLYMER) MANUFACTURING AREA

