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May 30, 2019

BY HAND DELIVERY

Ms. Cynthia T. Brown
Chief, Section of Administration
Surface Transportation Board
395 E Street, S.W.
Washington, DC 20423-0001

Re: Finance Docket No. 36310, Kansas & Oklahoma Railroad,
L.L.C. – Operating Exemption – Colorado Pacific Railroad,
LLC

Dear Ms. Brown:

Attached for filing are the original and ten copies of a Verified Notice of Exemption under 49 C.F.R 1150.41 and a check covering the \$2,000 filing fee.

If you have any questions, please contact me.

Sincerely yours,

Karl Morell

Enclosures



FEE RECEIVED
May 30, 2019
SURFACE
TRANSPORTATION BOARD

FILED
May 30, 2019
SURFACE
TRANSPORTATION BOARD

BEFORE THE
SURFACE TRANSPORTATION BOARD

FINANCE DOCKET NO. 36310

KANSAS & OKLAHOMA RAILROAD, LLC
--OPERATING EXEMPTION--
COLORADO PACIFIC RAILROAD, LLC

VERIFIED NOTICE OF EXEMPTION
Pursuant to 49 C.F.R. § 1150.41, Et Seq.

KARL MORELL
Karl Morell & Associates
Suite 440
440 1ST Street, N.W.
Washington, D.C. 20001
(202) 595-9045

Attorney for:
KANSAS & OKLAHOMA RAILROAD,
LLC

Dated: May 30, 2019

BEFORE THE
SURFACE TRANSPORTATION BOARD

FINANCE DOCKET NO. 36310

KANSAS & OKLAHOMA RAILROAD, LLC
--OPERATING EXEMPTION--
COLORADO PACIFIC RAILROAD, LLC

VERIFIED NOTICE OF EXEMPTION
Pursuant to 49 C.F.R. § 1150.41, Et Seq.

Kansas & Oklahoma Railroad, LLC ("KO"), a Class III rail carrier, files this Notice of Exemption pursuant to 49 C.F.R. Part 1150, Subpart E--Exempt Transactions Under 49 U.S.C. 10902, to permit KO to operate over approximately 121.9 miles of track owned by Colorado Pacific Railroad, LLC ("CPR") in Colorado.

In support of this Notice of Exemption, KO submits the following information as required by 49 C.F.R. § 1150.43:

(a) Full name and address of applicant:

Kansas & Oklahoma Railroad, LLC
1825 W. Harry
Wichita, Kansas 67213

(b) Applicant's Representative:

Karl Morell
Karl Morell & Associates
Suite 440
440 1st Street, N.W.
Washington, DC 20001
(202) 595-9045

(c) Statement of Agreement:

KO and CPR have entered into an Operating Agreement.

- (d) The operator of the property:

KO will be the operator of the rail line.

- (e) Summary of proposed transaction:

KO is a wholly owned subsidiary of Watco Holdings, Inc. ("Watco"). CPR, a subsidiary of KCVN, is the current owner of the rail line. *See Finance Docket No. 36005, KCVN, LLC and Colorado Pacific Railroad LLC – Feeder Line Application – Line of V and S Railway, LLC, Located in Crowley, Pueblo, Otero, and Kiowa Counties, Colorado* (not printed) served December 18, 2017 ("*Feeder Line Application*"). There has been no traffic on the line since February 2012. *Feeder Line Application*, served July 31, 2017, at 3.

- (1) The name and address of the entity owning the subject property:

Colorado Pacific Railroad, LLC
9 West 57th Street,
New York, NY 10019
Att: Chief Financial Officer

- (2) The involved transaction is expected to be consummated on or some time after the effective date of this Notice of Exemption.

- (3) KO will operate the rail line located between milepost 747.5, near Towner, Colorado, and milepost 869.4, near NA Junction, Colorado (the "Rail Line").

- (4) The length of the rail line over which KO will operate is approximately 121.9 miles.

- (f) A map of the rail line over which KO will operate is attached as Exhibit A.

- (g) KO hereby certifies that this transaction will not result in KO becoming a Class II or Class I rail carrier. Upon consummation of this transaction, KO will remain a Class III

carrier. KO further certifies that the projected revenue of KO will exceed \$5 million.

Consequently, the requirements of 49 C.F.R. § 1150.42(e) apply to this transaction.

Because there have been no freight rail operations over the Rail Line in seven (7) years, KO will seek a waiver of the requirements of 49 C.F.R. § 1150.42(e). Out of an abundance of caution, KO is complying with the requirement of Section 1150.42(e).

(h) The Agreement between KO and CPR does not contain any provision that prohibits KO from interchanging traffic with a third party or limits KO's ability to interchange with a third party.

A caption summary, as required by 49 C.F.R. § 1150.44, is attached.

ENVIRONMENTAL AND HISTORIC IMPACTS

KO will operate the Rail Line owned by CPR for continued rail operations. Further Board approval is required for KO to abandon or discontinue any service and there are no plans to dispose of or alter properties subject to Board jurisdiction that are 50 years old or older. Hence, this Notice of Exemption does not require an historic report under 49 C.F.R. § 1105.8(b)(1).

KO's operations over the Rail Line will not result in significant changes in carrier operations. There will not be a diversion of: (1) more than 1,000 rail carloads a year to motor carriage; or (2) an average of 50 carloads per mile per year for any part of these lines to motor carriage. This transaction will not result in: (1) an increase in rail traffic of at least 100 percent or an increase of at least eight trains a day on any segment of the lines; (2) an increase of rail yard activity of at least 100 percent; or (3) an average increase in truck traffic of more than 10 percent of the average daily traffic or 50 vehicles a day. KO's operation of the Rail Line will not affect a Class I or nonattainment area under the Clean Air Act. In any event, the thresholds of 49

C.F.R. § 1105.7(e)(5)(ii) will not be exceeded. Finally, the transportation of ozone depleting materials is not contemplated. Therefore, no environmental documentation is required under 49 C.F.R. § 1105.6(c)(2).

This action will not significantly affect either the quality of the human environment or energy conservation.

Respectfully submitted,

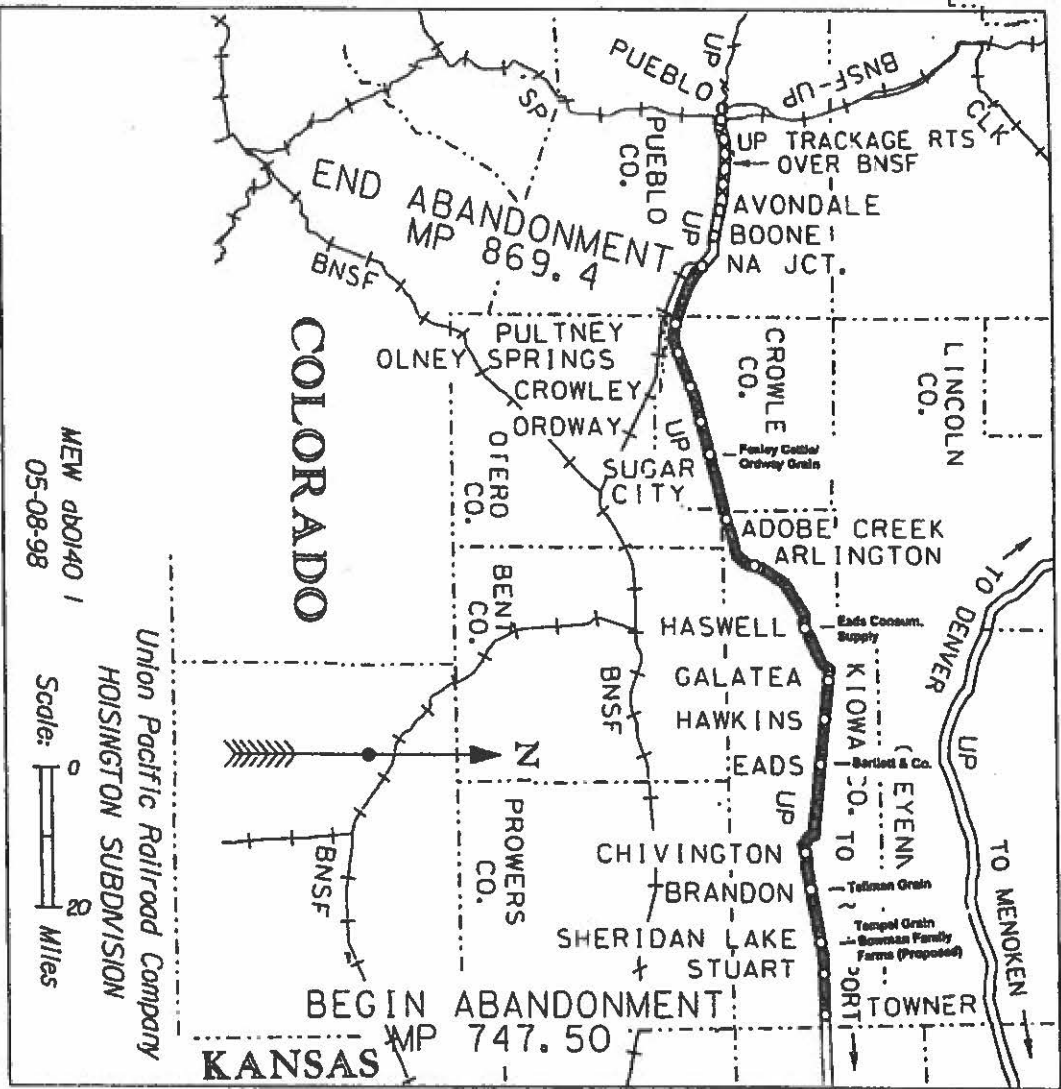


KARL MORELL
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Suite 440
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Washington, DC 20001
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Attorney for:
KANSAS & OKLAHOMA RAILROAD, LLC

Dated: May 30, 2019

EXHIBIT A



MEW dBO140 /
05-08-98

Scale: 0 2 Miles

Union Pacific Railroad Company
HOISINGTON SUBDIVISION

SURFACE TRANSPORTATION BOARD

NOTICE OF EXEMPTION

FINANCE DOCKET NO. 36310

KANSAS & OKLAHOMA RAILROAD, LLC
--OPERATING EXEMPTION--
COLORADO PACIFIC RAILROAD, LLC

Kansas & Oklahoma Railroad, LLC, a Class III rail carrier, has filed a notice of exemption to operate the rail line located between milepost 747.5, near Towner, Colorado, and milepost 869.4, near NA Junction, Colorado.

Comments must be filed with the Board and served on Karl Morell, Karl Morell & Associates, Suite 440, 440 1st Street, N.W., Washington, DC 20001, (202) 595-9045.

This notice is filed under 49 C.F.R. 1150.41. If the notice contains false or misleading information, the exemption is void ab initio. Petitions to revoke the exemption under 49 U.S.C. 10502(d) may be filed at any time. The filing of a petition to revoke will not automatically stay the transaction.

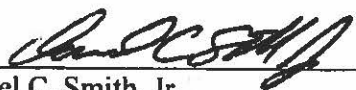
VERIFICATION

STATE OF KANSAS

COUNTY OF CRAWFORD

)
)
) SS.

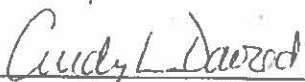
I, Daniel C. Smith, Jr., being duly sworn depose and state that I am Chief Executive Officer of Kansas & Oklahoma Railroad, LLC, that I am authorized to make this verification, and that I have read the foregoing Notice of Exemption and know the facts asserted therein are true and accurate as stated to the best of my knowledge, information, and belief.



Daniel C. Smith, Jr.

SUBSCRIBED AND SWORN TO before me this 20th day of April, 2019, in the County of Crawford, State of Kansas.

My Commission Expires: 5-19-2021



Notary Public

