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February 18, 2025
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February 18, 2025

Cynthia T. Brown
Chief, Section of Administration
Office of Proceedings
Surface Transportation Board
395 E Street SW
Washington, DC 20024

Re: Land Rush Rail Corporation
– Lease and Operation Exemption –
Oklahoma Department of Transportation and Blackwell Industrial Authority
Surface Transportation Board Finance Docket 36837

Dear Ms. Brown:

Enclosed for e-filing on behalf of Land Rush Rail Corporation is a Notice of Exemption being filed under 49 USC 10901 and 49 CFR 1150.31.

The filing fee of was paid using Pay.gov. Please let me know if there are any questions regarding this filing.

Sincerely,

A handwritten signature in blue ink that reads 'Justin J. Marks'.

Justin J. Marks
Counsel for Land Rush Rail Corporation

Enclosure

FILED
February 18, 2025
SURFACE
TRANSPORTATION BOARD

FEE RECEIVED
February 18, 2025
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Before the
SURFACE TRANSPORTATION BOARD

STB Docket No. FD 36837

**LAND RUSH RAIL CORPORATION
- LEASE AND OPERATION EXEMPTION –
OKLAHOMA DEPARTMENT OF TRANSPORTATION AND
BLACKWELL INDUSTRIAL AUTHORITY**

**VERIFIED NOTICE OF EXEMPTION
UNDER 49 U.S.C. §10901**

(includes color images)

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*Counsel for
Land Rush Rail Corporation*

Dated: February 18, 2025

Before the
SURFACE TRANSPORTATION BOARD

STB Docket No. FD 36837

LAND RUSH RAIL CORPORATION
- LEASE AND OPERATION EXEMPTION –
OKLAHOMA DEPARTMENT OF TRANSPORTATION AND
BLACKWELL INDUSTRIAL AUTHORITY

VERIFIED NOTICE OF EXEMPTION
UNDER 49 U.S.C. §10901

This Verified Notice is filed pursuant to 49 C.F.R. §1150.31 by Land Rush Rail Corporation (“LRRC”), a newly formed non-carrier subsidiary of Farmrail System, Inc.,¹ to exempt from regulation under 49 U.S.C. §10901, its lease and operation of approximately 37.26 miles of rail line (the “Rail Line”) owned by Oklahoma Department of Transportation (“ODOT”) and Blackwell Industrial Authority (“BIA”) extending from milepost 0.09 at Wellington, Kansas, to milepost 35.35 at Blackwell, Oklahoma, and from milepost 127.0 at Blackwell to milepost 125.0 also at Blackwell. ODOT owns the segments of the Rail Line extending from milepost 18.32 at Hunnewell, Kansas, to milepost 35.35 at Blackwell, and from milepost 127.0 to milepost 126.45 in Blackwell. BIA owns the segments of the Rail Line extending from milepost 0.09 at Wellington to milepost 18.32 at Hunnewell, and from milepost 126.45 to milepost 125.0 in Blackwell.

¹ Upon consummation of the proposed lease transaction, LRRC will become a rail carrier under the control of Farmrail System, Inc. (“System”), a non-carrier that currently controls two other railroads. For this reason, System is concurrently seeking authority to continue control of LRRC when it becomes a carrier pursuant to the notice of exemption contemporaneously filed in Docket No. FD 36838.

Notice

In accordance with 49 C.F.R. §1150.33, LRRC hereby provides the following information:

- (a) The full name and address of Applicant: Land Rush Rail Corporation, 150 E.

Gary Blvd., Clinton, OK 73601.

- (b) Applicant's representatives:

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2001 Market St.
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- (c) LRRC has entered into a lease and operating agreement with ODOT and BIA.

- (d) The Rail Line was previously leased to and operated by Blackwell Northern Gateway Railroad Company ("BNGR"). However, on February 3, 2024, the Federal Railroad Administration ("FRA") issued Emergency Order 33 ("EO 33") effectively prohibiting BNGR from continuing to operate the Rail Line. ODOT and BIA obtained emergency authority from the Board to allow Chicago, Rock Island & Pacific Railroad, LLC to address the FRA concerns and operate the Rail Line.² The emergency authority

² See *State of Oklahoma by and through the Oklahoma Department of Transportation and Blackwell Industrial Authority – Alternative Rail Service – Line of Blackwell Northern Gateway Railroad Company*, FD 36762 (STB served March 1, 2024).

was extended in July 2024 (until November 26, 2024) because the conditions of EO 33 had not been satisfied, and ODOT and BIA were still working on a lease with Oklahoma & Kansas Railroad, LLC “(OKRL)” to be a potential long-term operator. Thereafter, ODOT and BIA entered into a lease and operating agreement with OKRL, and on September 27, 2024, the Board issued a notice of exemption for OKRL to operate as the common carrier service provider of the Rail Line.³ However, OKRL’s authority was never consummated because ODOT and BIA terminated the OKRL lease and operating agreement prior to the effective date of OKRL’s notice of exemption.⁴ ODOT and BIA have now selected LRRC to be the long-term operator and the parties have entered into a lease and operating agreement.

(e) Brief Summary of the Proposed Transaction: LRRC has entered into an agreement to lease the Rail Line from ODOT and BIA and to operate the Rail Line.

(1) The name and address of the entities leasing the Rail Line are:

Oklahoma Department of Transportation
200 NE 21st Street
Oklahoma City, OK 73107

Blackwell Industrial Authority
525 N. 25th Street, P.O. Box 150
Blackwell, OK 74631

(2) LRRC expects to commence operations on or after the effective date of this notice of exemption, more than thirty days after filing.⁵

³ *Oklahoma & Kansas Railroad, LLC – Change of Operator Exemption – Oklahoma Department of Transportation and Blackwell Industrial Authority*, STB Finance Docket No. 36811 (served Sept. 27, 2024).

⁴ See October 11, 2024, ODOT Letter filed in STB Finance Docket No. 36811.

⁵ LRRC acknowledges that it will also need to satisfy the FRA’s conditions in EO33 before actually commencing operations.

- (3) The Rail Line extends from milepost 0.09 at Wellington, Kansas, to milepost 35.35 at Blackwell, Oklahoma, and from milepost 127.0 at Blackwell to milepost 125.0 also at Blackwell. ODOT owns the segments of the Rail Line extending from milepost 18.32 at Hunnewell, Kansas, to milepost 35.35 at Blackwell, and from milepost 127.0 to milepost 126.45 in Blackwell. BIA owns the segments of the Rail Line extending from milepost 0.09 at Wellington to milepost 18.32 at Hunnewell, and from milepost 126.45 to milepost 125.0 in Blackwell.
- (4) The total distance of the Rail Line to be acquired and operated is approximately 37.26 miles.
- (f) Attached as Exhibit A to this Notice of Exemption is a map of the Rail Line.
- (g) LRRC certifies that its projected revenues as a result of the transaction will not exceed those that would qualify it as a Class III carrier.⁶
- (h) No interchange commitments are being imposed on LRRC's operations.

Labor Protection

Pursuant to 49 U.S.C. §10901(c), approval of this transaction may not be subjected to labor protections.

Environmental and Historic Reports

The agreement is for continued rail operations that will not result in changes in carrier operations that will exceed the thresholds established in 49 C.F.R. §1105.7(e)(4) or (5). Further Board approval is required for LRRC to discontinue service on the Rail Line or for the disposal

⁶ LRRC additionally certifies that its projected revenues after the transaction will not exceed \$5,000,000 per year.

of or alteration of properties subject to the Board's jurisdiction that are 50 years old or older. Accordingly, no environmental or historic documentation is required. *See* 49 C.F.R. §1105.6(c)(2); 49 C.F.R. §1105.8(b)(1).

Caption Summary

Attached hereto as Exhibit B is the caption summary required by 49 C.F.R. §1150.34.

Conclusion

Accordingly, LRRC requests that the Board issue a notice allowing the common carrier operations of LRRC to become effective at any time after 30 days from the filing of this Notice of Exemption.

Respectfully submitted,



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Counsel for Land Rush Rail Corporation

Dated: February 18, 2025

VERIFICATION

I, R. Eric Betke, President of Land Rush Rail Corporation verify under penalty of perjury that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file the foregoing document.

Executed on February 18, 2025.

A handwritten signature in black ink, appearing to read "R. Eric Betke", written over a horizontal line.

R. Eric Betke, President

EXHIBIT A

MAP

Land Rush Rail Corporation

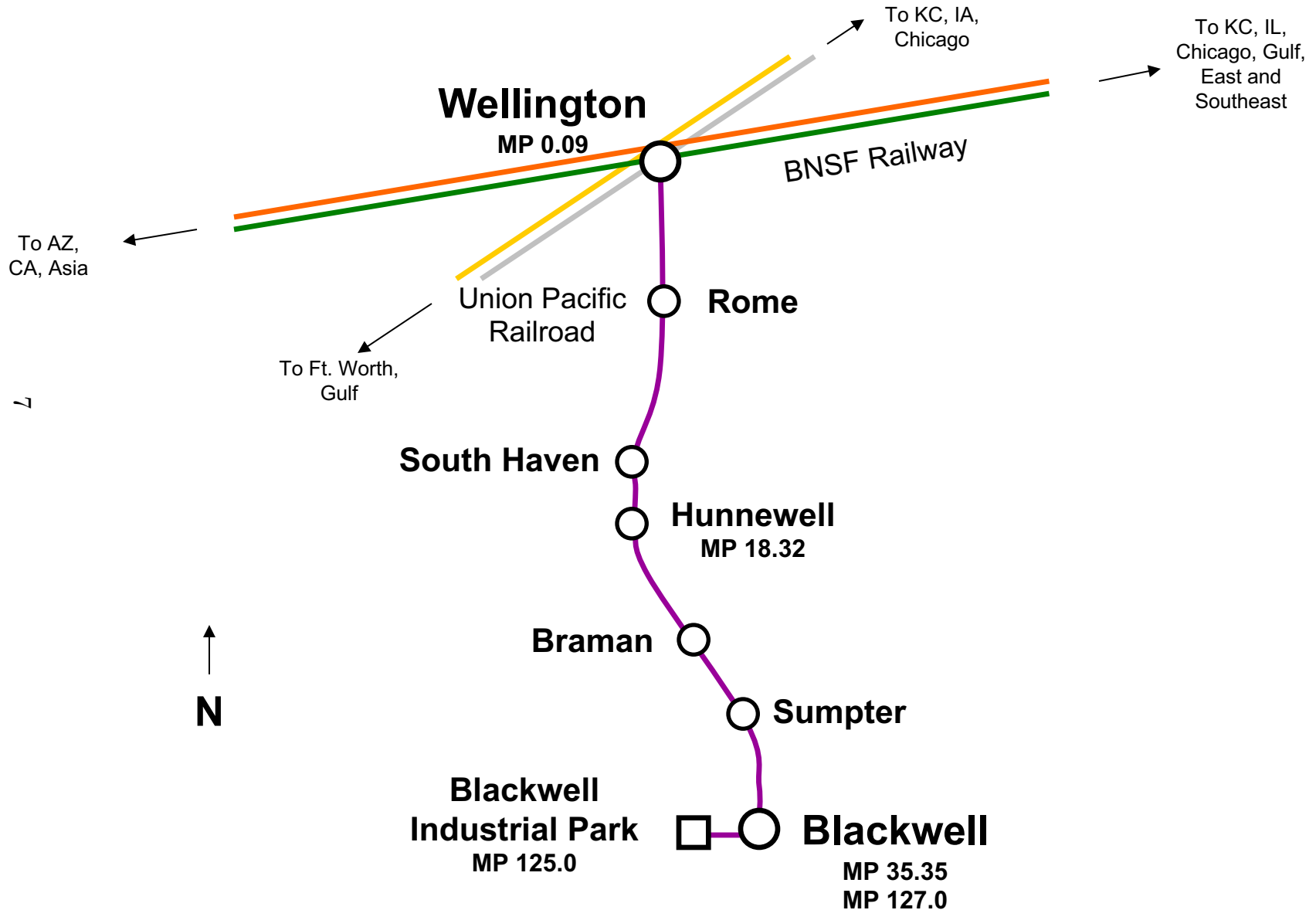


EXHIBIT B

CAPTION SUMMARY

**BEFORE the
SURFACE TRANSPORTATION BOARD**

STB Docket No. FD 36837

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Comments must be filed with the Board and served on LRRC’s representative, Justin J. Marks, Esq., Clark Hill, PLC, 1001 Pennsylvania Ave. N.W., Suite 1300 South Washington, DC 20004; (202) 572-8668.

The Notice is filed under 49 C.F.R. §1150.31. 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.

Board decisions and notices are available at www.stb.gov.

Decided: _____, 2025.

By the Board, Mai T. Dinh, Director, Office of Proceedings.