



## **SURFACE TRANSPORTATION BOARD**

**[Docket No. FD 36837]**

### **Land Rush Rail Corporation—Lease and Operation Exemption—Oklahoma**

#### **Department of Transportation and Blackwell Industrial Authority**

Land Rush Rail Corporation (LRRC), a non-carrier, has filed a verified notice of exemption under 49 CFR 1150.31 to lease and operate approximately 37.26 miles of rail line (the Line) owned by Oklahoma Department of Transportation (ODOT) and Blackwell Industrial Authority (BIA) extending from milepost 0.09 at Wellington, Kan., to milepost 35.35 at Blackwell, Okla., and from milepost 127.0 at Blackwell to milepost 125.0 also at Blackwell. ODOT owns the segments of the Line extending from milepost 18.32 at Hunnewell, Kan., to milepost 35.35 at Blackwell, and from milepost 127.0 to milepost 126.45 in Blackwell. BIA owns the segments of the 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.

According to the verified notice, the Line was previously leased to and operated by Blackwell Northern Gateway Railroad Company (BNGR), but on February 3, 2024, the Federal Railroad Administration (FRA) issued an emergency order effectively prohibiting BNGR from continuing to operate the Line. The verified notice explains that 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 Line.<sup>1</sup> LRRC states that ODOT and BIA have now selected LRRC to be the long-term operator<sup>2</sup>

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<sup>1</sup> See Okla. ex. rel. Okla. Dep't of Transp. & Blackwell Indus. Auth.—Alternative Rail Serv.—Line of Blackwell N. Gateway R.R., FD 36762 (STB served March 1, 2024). The emergency authority was later extended until November 26, 2024.

<sup>2</sup> LRCC states that ODOT and BIA had entered into a lease and operating agreement for Oklahoma & Kansas Railroad, LLC (OKRL) to operate as the common carrier service provider for the Line, for which the Board granted authority, see Okla. &

and the parties have entered into a lease and operating agreement.<sup>3</sup>

This transaction is related to a concurrently filed verified notice of exemption in Farmrail System, Inc.—Continuance in Control Exemption—Land Rush Rail Corp., Docket No. FD 36838, in which Farmrail System, Inc., seeks to continue in control of LRRC upon LRRC's becoming a Class III rail carrier.

LRRC certifies that its projected annual revenues as a result of the transaction will not exceed those that would qualify it as a Class III rail carrier and will not exceed \$5 million. LRRC also certifies that no interchange commitments are being imposed on its operations.

The transaction may be consummated on or after March 20, 2025, the effective date of the exemption (30 days after the verified notice was filed).

If the verified 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 effectiveness of the exemption. Petitions for stay must be filed no later than March 13, 2025 (at least seven days before the exemption becomes effective).

All pleadings, referring to Docket No. FD 36837, must be filed with the Surface Transportation Board either via e-filing on the Board's website or in writing addressed to 395 E Street, S.W., Washington, DC 20423-0001. In addition, a copy of each pleading must be served on LRRC's representative, Justin J. Marks, Clark Hill PLC, 1001 Pennsylvania Ave., N.W., Suite 1300 South, Washington, DC 20004.

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Kan. R.R.—Change of Operator Exemption—Okla. Dep't of Transp. & Blackwell Indus. Auth., FD 36811 (STB served Sept. 27, 2024), however, OKRL's authority was never consummated because ODOT and BIA terminated OKRL's lease and operating agreement prior to OKRL's authority becoming effective.

<sup>3</sup> LRRC states that it will need to satisfy the conditions set forth in the FRA's emergency order before actually commencing operations.

According to LRRC, this action is categorically excluded from environmental review under 49 CFR 1105.6(c) and from historic preservation reporting requirements under 49 CFR 1105.8(b).

Board decisions and notices are available at [www.stb.gov](http://www.stb.gov).

Decided: March 3, 2025.

By the Board, Scott M. Zimmerman, Acting Director, Office of Proceedings.

**Jeffrey Herzig,**

*Clearance Clerk.*

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