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October 11, 2024

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

Re: *Oklahoma & Kansas Railroad, LLC – Change of Operator Exemption – Oklahoma
Department of Transportation and Blackwell Industrial Authority
Surface Transportation Board Finance Docket 36811*

Dear Ms. Brown:

The exemption authorized in the above referenced docket permits the Oklahoma & Kansas Railroad, LLC ("OKRL") to enter into an Operating Lease to lease and operate a line of railroad from the Blackwell Industrial Authority ("BIA") and Oklahoma Department of Transportation ("ODOT"). The exemption authorizes the parties to consummate the Operating Lease on or after October 13, 2024, the effective date of the exemption.

BIA and ODOT are filing the enclosed letter with the Board as information. The enclosed letter, dated October 11, 2024, from ODOT and BIA to OKRL provides notice to OKRL that effective immediately (October 11, 2024), ODOT and BIA are terminating the Operating Lease.

If you have any questions related to this filing, please let me know.

Sincerely,



Justin J. Marks
Counsel to The State of Oklahoma by and
through the Oklahoma Department of
Transportation

cc: Parties of Record

Enclosure

October 11, 2024

VIA E-MAIL AND OVERNIGHT CERTIFIED MAIL

Robert J. Riley
Chief Executive Officer
PO Box 601
165 W. South St., Suite 201
Hernando, MS 38632

Re: Operating Lease between Blackwell Industrial Authority and Oklahoma Department of Transportation, Lessor, and Oklahoma & Kansas Railroad, LLC, Lessee, dated August 9, 2024 (the "Lease")

NOTICE OF TERMINATION

Dear Mr. Riley:

Oklahoma & Kansas Railroad, LLC (Lessee) has made no efforts (and certainly not its best commercially reasonable efforts) to rehabilitate the Rail Line or to receive authority from the FRA to conduct rail operations on the Property under EO33 in the over 60 days since the Lease became effective. (Capitalized terms have the meanings set forth in the Lease.) Accordingly, Lessor hereby provides Lessee this notice under Section 20.a.iii of the Lease that the Lease is hereby terminated effective immediately.

Under Section 20.b of the Lease, Lessee is to promptly seek authority from the STB to discontinue its operations. (Lessor acknowledges that Lessee's authority from the STB has not yet become effective and that Lessee may only need to withdraw its notice of exemption or otherwise notify the STB that it will not be exercising or consummating authority to operate the Rail Line.)

Please refer to the Lease, or you may contact BIA or STATE if you have any questions.

State of Oklahoma
Department of Transportation

Blackwell Industrial Authority



Multi-Modal & Planning Division Engineer



Charlene Flanery (Oct 11, 2024 12:46 CDT)

Executive Director

cc: Robert A. Wimbish (rwimbish@fletcher-sippel.com)
Eric M. Hocky (ehocky@clarkhill.com)

"The mission of the Oklahoma Department of Transportation is to provide a safe, economical, and effective transportation network for the people, commerce and communities of Oklahoma."