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SERVICE DATE – NOVEMBER 17, 2010

DO

FR-4915-01-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[Docket No. FD 35441]

Blackwell Northern Gateway Railroad Company–Lease Renewal Exemption–Oklahoma
Department of Transportation and Blackwell Industrial Authority

Blackwell Northern Gateway Railroad Company (BNGR), a Class III rail carrier, has filed a verified notice of exemption under 49 C.F.R. § 1150.41 to renew and supplement its lease of approximately 37.26 miles of rail line, owned by the Oklahoma Department of Transportation (ODOT) and Blackwell Industrial Authority (BIA), referred to as the Blackwell Line. The Blackwell Line extends from approximately milepost 0.09 at Wellington, Kan., to approximately milepost 35.35 at Blackwell, Okla., and from approximately milepost 127.0 to approximately milepost 125.0, in Blackwell, a total distance of approximately 37.26 miles.¹ ODOT owns the portions of the Blackwell Line extending from milepost 18.32, near Hunnewell, Kan., on the Oklahoma/Kansas border, to milepost 35.35 at Blackwell, and from milepost 127.0 to milepost 126.45 in Blackwell. BIA owns the portions of the Blackwell Line extending from milepost 0.09 at Wellington, to milepost 18.32 at the Kansas/Oklahoma border, and from milepost 126.45

¹ BNGR states that the mileposts are slightly corrected from the earlier proceedings involving this line. See Blackwell N. Gateway R.R.–Change in Operators Exemption–Okla. Dep’t of Transp. and Blackwell Indus. Auth., FD 34777 (STB served Nov. 30, 2005) and State of Okla. by and through the Okla. Dep’t of Transp. and Blackwell Indus. Auth.–Acquis. Exemption–Cent. Kan. Ry., FD 33492 (STB served Oct. 31, 1997).

to milepost 125.0 in Blackwell.

BNGR currently operates the Blackwell Lines pursuant to a lease agreement with ODOT and BIA. BNGR, ODOT, and BIA have agreed to execute a First Renewal Track Lease and Operating Agreement that will extend the terms of the lease for 5 years, through November 30, 2015, and will also include other changes beyond the extension of the lease term.

BNGR certifies that its projected revenues as a result of this transaction will not result in the creation of a Class II or Class I carrier and will not exceed \$5 million.

The transaction is scheduled to be consummated on December 1, 2010, the effective date of the exemption (30 days after the exemption was filed).

If the verified notice contains false or misleading information, the exemption is void ab initio. Petitions to reopen the proceeding 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.

An original and 10 copies of all pleadings, referring to Docket No. FD 35441, must be filed with the Surface Transportation Board, 395 E Street, S.W., Washington, DC 20423-0001. In addition, a copy of each pleading must be served on, Thomas J. Litwiler, 29 North Wacker Drive, Suite 920, Chicago, IL 60606-2832.

Board decisions and notices are available on our website at “WWW.STB.DOT.GOV.”

Decided: November 10, 2010

By the Board, Rachel D. Campbell, Director, Office of Proceedings.