



A Texas Railroad Corporation

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**SURFACE
TRANSPORTATION BOARD**

June 28th, 2005

The Honorable Vernon Williams
Secretary
Surface Transportation Board
1925 K Street, N.W., Suite 700
Washington, DC 20423-0001



Re: STB Finance Docket No. 34723, Blacklands Railroad, Inc. – Lease and
Operation Exemption – Titus County, TX

Dear Secretary Williams:

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 in the amount of \$1,500 filing fee. .

If you have any questions, please contact me.

Sincerely,

Wayne Defebaugh
President
Blacklands Railroad

Enclosures

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214267

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SURFACE
TRANSPORTATION BOARD

Before The Surface Transportation Board

Finance Docket NO. 34723

Blacklands Railroad (BLR)
----Lease and Operation Exemption ----
Union Pacific Railroad

Verified Notice Of Exemption
Pursuant to 49 C.F.R. – 1150.41

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SURFACE
TRANSPORTATION BOARD

Wayne Defebaugh
President
Blacklands Railroad
641 Church St.
Sulphur Springs, TX 75482
903-439-0738

Dated: June 28, 2005

Before The Surface Transportation Board

Finance Docket NO. 34723

Blacklands Railroad (BLR)
----Lease and Operation Exemption ----
Union Pacific Railroad

Verified Notice Of Exemption
Pursuant to 49 C.F.R. – 1150.41

The Blacklands Railroad, Inc. (BLR), a class III rail carrier is filing a verified Notice of Exemption under CFR 49 1150.41 to lease and operate, pursuant to a lease Agreement entered into with the (UP) Union Pacific Railroad.

In support of this notice of Exemption, BLR submits the following information as Required by 49 C.F.R. – 1150.43:

(a). Full name and Address of applicant:

Blacklands Railroad, Inc.
641 Church St.
Sulphur Springs, TX 75482

(b). Applicant's Representative:

Wayne Defebaugh
President
Blacklands Railroad
641 Church St.
Sulphur Springs, TX 75482

(c). Statement of Agreement:

BLR has entered into an agreement with the Union Pacific Railroad to lease and Operate a 7.9 mile rail line.

(d). The operator of the property:

Operations on the leased line will be performed by BLR

(e). Summary of proposed transaction:

BLR proposes to lease and operate on the 7.9 mile section of the (Commerce Branch) which includes interchanging traffic with Union Pacific in Mt. Pleasant, TX

1. The name and address of the entity leasing the subject property is:

Union Pacific Railroad Company
1400 Douglas Street
Omaha, NE 68179
A Delaware corporation

2. BLR lease of the line is expected to be consummated on or shortly after July 6th, 2005.

3. BLR is proposing to lease a 7.9 mile section of the (Commerce Branch) From milepost 481.5 near Mt. Pleasant, TX to milepost 489.40 near Winfield, TX.

(f). A map of the line being leased is attached as Exhibit A.

(g). Based on the projected revenue BLR expects to remain a Class III rail carrier after the consummation of the proposed transaction. This certifies that the projected annual operating revenue of the BLR does not exceed \$5 million. Consequently, the requirements of 49 C.F.R. – 1150.42(e) do not apply to this transaction.

Environmental and Historic Impacts

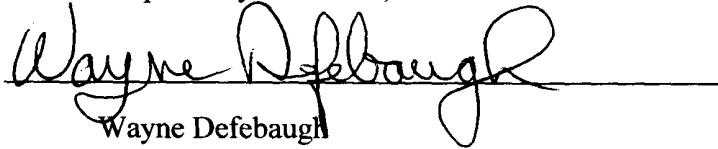
BLR is leasing the line from the Union Pacific Railroad for continued rail operations. Further Surface Transportation Board (“Board”) approval is required for BLR to discontinue any service, and there are no plans to dispose of or alter properties subject to Board jurisdiction that are 50 years old or older. Hence, this Notice of Exemption does not require a historic report under 49 C.F.R 1105.8(b)(1).

BLR’s lease will not result in significant changes in carrier operations. There will not be a diversion of: (1) more that 1000 rail carloads a year to motor carrier; or (2) an

average of 50 carloads per mile per year for any part of this line to motor carrier. 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 this line; (2) and increase of rail yard activity of at least 100 percent; or (3) and average increase in truck traffic of more than 10 percent of the average daily traffic or 50 vehicles a day. BLR's lease of the rail line will not affect a class I non-attainment area under the Clean Air Act. In any event, the thresholds of 49 C.F.R. 1105.79(e)(5)(ii) will not be exceeded. Finally, the transportation of ozone depleting materials is not contemplated. Therefore, no environmental documentation is required under 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,

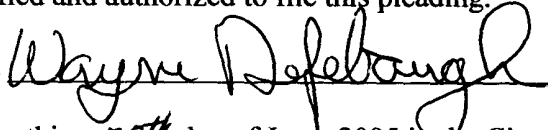


Wayne Defebaugh
President
Blacklands Railroad
641 Church St.
Sulphur Springs, TX 75482

Dated: June 28th, 2005

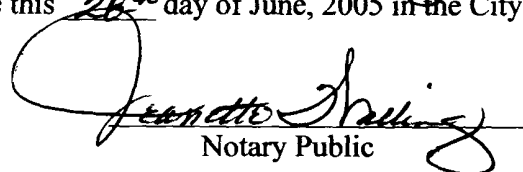
"I Wayne Defebaugh, declare under penalty of perjury that the above information is true and correct. Further, I certify that I am qualified and authorized to file this pleading.
Executed on (June 28th, 2005).

Signed



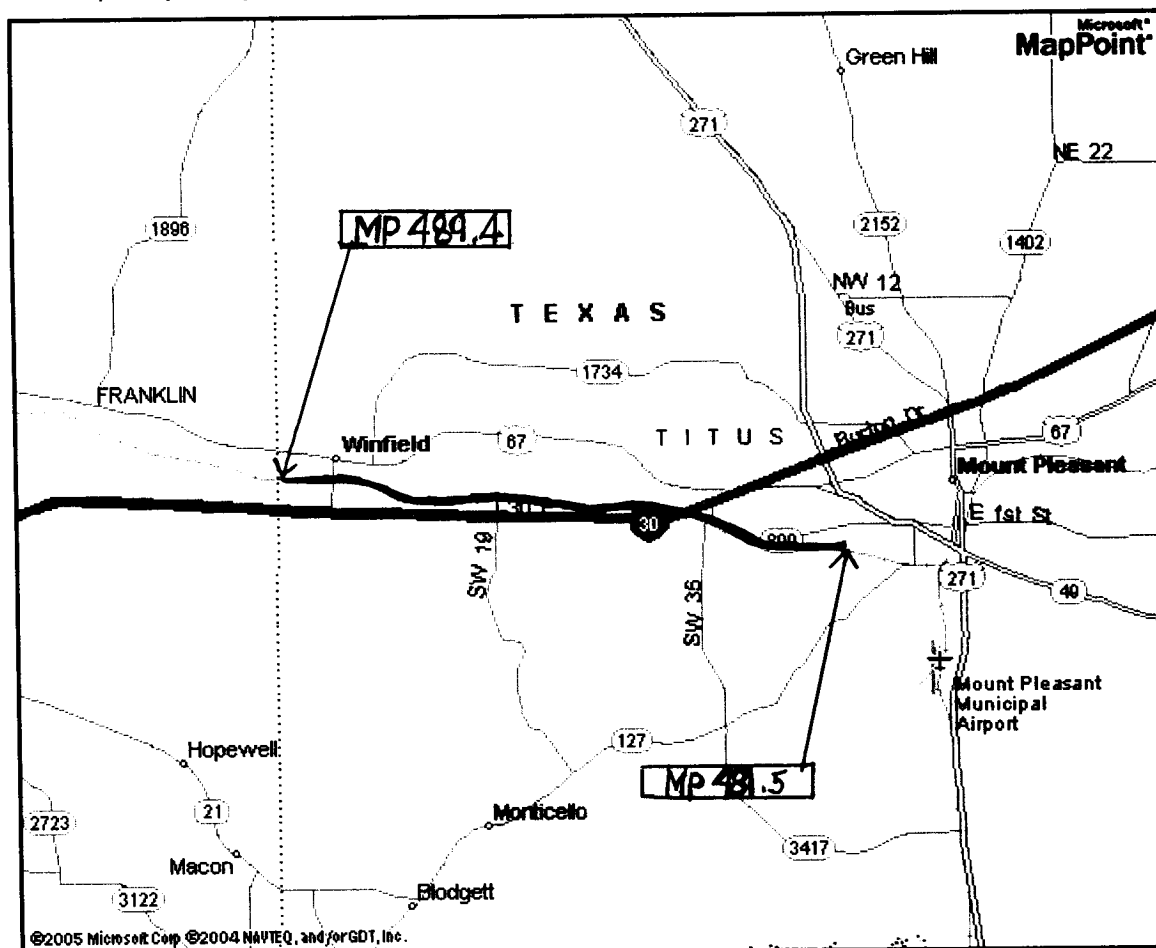
Subscribed and Sworn To before me this 28th day of June, 2005 in the City of Sulphur Springs, State of Texas.

My Commission Expires: 07/23/05


Notary Public

"Exhibit A"**msn** Maps & DirectionsFeaturing Microsoft®
MapPoint® Technology

Winfield, Titus, Texas, United States



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