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BEFORE THE

SURFACE TRANSPORTATION BOARD

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FINANCE DOCKET NO. 35844

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STILLWATER CENTRAL RAILROAD, LLC  
--ACQUISITION EXEMPTION CONTAINING INTERCHANGE COMMITMENT--  
OKLAHOMA DEPARTMENT OF TRANSPORTATION

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VERIFIED NOTICE OF EXEMPTION  
Pursuant to 49 C.F.R. § 1150.41, Et Seq.

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ENTERED  
Office of Proceedings  
June 30, 2014  
Part of  
Public Record

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June 30, 2014  
SURFACE  
TRANSPORTATION BOARD

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KARL MORELL  
Of Counsel  
BALL JANIK LLP  
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655 Fifteenth Street, N.W.  
Washington, D.C. 20005  
(202) 638-3307

Attorney for:  
STILLWATER CENTRAL RAILROAD,  
LLC

Dated: June 30, 2014

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SURFACE TRANSPORTATION BOARD

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Stillwater Central Railroad, LLC ("SLWC"), a Class III rail carrier, files this Notice of Exemption pursuant to 49 C.F.R. Part 1150, Subpart E--Exempt Transactions Under 49 U.S.C. 10902, to permit SLWC to acquire and operate approximately 97.5 miles of rail lines in Oklahoma from the State of Oklahoma acting through its administrative agency the Oklahoma Department of Transportation ("ODOT").

In support of this Notice of Exemption, SLWC submits the following information as required by 49 C.F.R. § 1150.43:

- (a) Full name and address of applicant:

Stillwater Central Railroad, LLC  
900 S. Byers Avenue  
Oklahoma City, OK 73129

(b) Applicant's Representative:

Karl Morell  
Of Counsel  
BALL JANIK LLP  
Suite 225  
655 Fifteenth Street, N.W.  
Washington, DC 20005  
(202) 638-3307

(c) Statement of Agreement:

SLWC was selected by ODOT as the purchaser as part of a public bidding process. SLWC and ODOT are in the process of entering into a Sale Agreement.

(d) The operator of the property:

SLWC will be the operator of the property.

(e) Summary of proposed transaction:

(1) The name and address of the entity selling the subject property is:

State of Oklahoma  
Department of Transportation  
200 Northeast 21<sup>st</sup> Street  
Oklahoma City, OK 73105

(2) The involved transaction is expected to be consummated on or about July 31, 2014 (after the effective date of this notice of exemption).

(3) The rail lines that will be owned and operated by SLWC consist of approximately 97.5 miles of main line railroad located between Milepost

438.9, in Sapulpa, OK, and Milepost 536.4, in eastern Oklahoma City, OK (the “Line”).

- (4) The length of the Line being acquired is approximately 97.5 miles.
- (f) A map of the Line is attached as Exhibit A.
- (g) SLWC hereby certifies that SLWC's projected revenues as a result of this transaction will not result in SLWC becoming a Class II or Class I rail carrier. SLWC’s annual revenues exceed \$5 million. Accordingly, the requirements 49 C.F.R. § 1150.42(e) apply to this transaction. Providing the 60-day notice, however, would serve no useful purpose since SLWC already has authority to operate the Line under lease from ODOT . *See* STB Finance Docket No. 33621, *Stillwater Central Railroad, Inc. – Lease and Operation Exemption – the State of Oklahoma by and through the Oklahoma Department of Transportation* (not printed) served July 10, 1998. Consequently, SLWC is seeking a waiver of the notice period set forth in Section 1150.42(e) in a separate waiver petition being filed concurrently with this notice.
- (h)(1).
  - (i) The State of Oklahoma acquired the Line from The Burlington Northern and Santa Fe Railway Company (“BNSF”) in 1998. *See* STB Finance Docket No. 33620, *State of Oklahoma by and through the Oklahoma Department of Transportation – Acquisition Exemption – The Burlington Northern and Santa Fe Railway Company* (not printed), served July 10, 1998. The Agreement between BNSF and ODOT (“BNSF

Sale Agreement”) contains an interchange commitment that ODOT is contractually obligated to assign to any future purchaser of the Line. The affected interchange point is Sapulpa, OK.

(ii) The BNSF Sale Agreement is being filed with the Board under 49 C.F.R. § 1104.14(a).

(iii) Timco, EOG, Watco Terminal and Port Services, Pacer Energy, TG Mercer, Rock-n-Rail, Mercuria, Poly Films, Oklahoma Construction Materials, Momentive Oklahoma City Bioenergy, FSTI, EDF, WB Supply, RE Carroll, EP Minerals, Fentress Oil, Stella Jones, FourR Marketing, Greenhill, Harrison Gypsum, Martin Marietta, Ash Grove, Tuttle Grain and BNSF Overhead.

(iv) Information being filed under Section 1104.14(a).

(v) SLWC hereby certifies that SLWC has provided notice of the proposed transaction and interchange commitment to the shippers identified in paragraph (iii).

(vi) South Kansas & Oklahoma Railroad, BNSF Railway, Union Pacific Railroad, Arkansas-Oklahoma Railroad, and AT&L Railroad.

(vii) Information being filed under Section 1104.14(a).

A caption summary, as required by 49 C.F.R. § 1150.44, is attached.

### **ENVIRONMENTAL AND HISTORIC IMPACTS**

SLWC is acquiring the Line from ODOT for continued rail operations. Further Board

approval is required for SLWC to discontinue or abandon 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 an historic report under 49 C.F.R. § 1105.8(b)(1).

SLWC's acquisition will not result in significant changes in carrier operations. There will not be a diversion of: (1) more than 1,000 rail carloads a year to motor carriage; or (2) an average of 50 carloads per mile per year for any part of this line to motor carriage. 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 any segment of the line; (2) an increase of rail yard activity of at least 100 percent; or (3) an average increase in truck traffic of more than 10 percent of the average daily traffic or 50 vehicles a day. SLWC's acquisition of the Line will not affect a Class I or nonattainment area under the Clean Air Act. In any event, the thresholds of 49 C.F.R. § 1105.7(e)(5)(ii) will not be exceeded. Finally, the transportation of ozone depleting materials is not contemplated. Therefore, no environmental documentation is required under 49 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,

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KARL MORELL  
Of Counsel  
BALL JANIK LLP  
Suite 225  
1455 F Street, N.W.  
Washington, DC 20005  
(202) 638-3307

Attorney for:  
STILLWATER CENTRAL RAILROAD, LLC

Dated: June 30, 2014

# **EXHIBIT A**

SURFACE TRANSPORTATION BOARD

NOTICE OF EXEMPTION

FINANCE DOCKET NO. 35844

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STILLWATER CENTRAL RAILROAD, LLC  
--ACQUISITION EXEMPTION CONTAINING INTERCHANGE COMMITMENT--  
OKLAHOMA DEPARTMENT OF TRANSPORTATION

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Stillwater Central Railroad, LLC (SLWC), a Class III rail carrier, has filed a verified notice of exemption under 49 CFR 1150.41, to acquire from the State of Oklahoma acting through its administrative agency the Oklahoma Department of Transportation the line of railroad located between Milepost 438.9, in Sapulpa, OK, and Milepost 536.4, in eastern Oklahoma City, OK.

Comments must be filed with the Board and served on Karl Morell, Of Counsel, BALL JANIK LLP, Suite 225, 655 Fifteenth Street, N.W., Washington, DC 20005, (202) 638-3307.

This notice is filed under 49 C.F.R. 1150.41. If the notice contains false or misleading information, the exemption is void ab initio. The filing of a petition to revoke will not automatically stay the transaction.

**VERIFICATION**

**STATE OF KANSAS** )  
 ) ss.  
**COUNTY OF CRAWFORD** )

I, Arthur E. McKechnie, III, being duly sworn depose and state that I am Assistant Secretary of Stillwater Central Railroad, L.L.C., that I am authorized to make this verification, and that I have read the foregoing Notice of Exemption and know the facts asserted therein are true and accurate as stated to the best of my knowledge, information, and belief.

\_\_\_\_\_  
Arthur E. McKechnie, III

SUBSCRIBED AND SWORN TO before me this \_\_\_\_ day of June, 2014, in the County of Crawford, State of Kansas.

My Commission Expires: \_\_\_\_\_

\_\_\_\_\_  
Notary Public