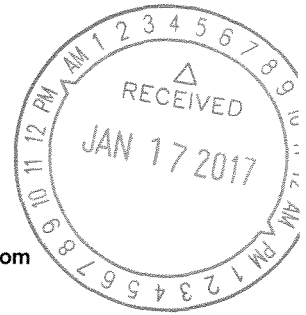


January 17, 2017

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JOHN D. HEFFNER
(202) 742-8607
Direct Fax (202) 742-8697
John.Heffner@strasburger.com



BY HAND

Ms. Cynthia T. Brown
Chief of Administration
Surface Transportation Board
395 E Street, S.W.
Washington, D.C. 20423-0001

RE: FD 36084, West Branch Intermediate Holdings, LLC, and Continental Rail LLC –Acquisition of Control Exemption – Cimarron Valley Railroad, L.C., Clarkdale Arizona Central Railroad, L.C., Wyoming And Colorado Railroad Company, Inc.

RE: FD 36085, New Mexico Central Railroad, LLC - Acquisition and Operation Exemption - Southwestern Railroad, Inc., Whitewater Division

RE: FD 36087, West Branch Intermediate Holdings, LLC, and Continental Rail LLC – Continuance in Control Exemption – New Mexico Central Railroad, LLC

Dear Ms. Brown:

On behalf of the applicants shown above, West Branch Intermediate Holdings, LLC, Continental Rail LLC, and New Mexico Central Railroad, LLC, I am enclosing for filing in the above-captioned proceedings an original and ten copies of three verified notices of exemption as well as a Motion for a Protective Order for the exemption in FD 36084. Additionally, I am submitting in the envelop marked “confidential” a copy of a confidential Letter of Intent governing New Mexico Central’s acquisition of the three carriers identified in FD 36084.

Please date stamp and return copy of each filing as well a copy of the Motion for a Protective Order and the extra confidential Letter of Intent as well as

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Strasburger & Price, LLP

1025 Connecticut Ave., N.W. Suite 717 | Washington, DC 20036 | 202.742.8600 tel | 202.742.8699 fax | www.strasburger.com

Austin | Collin County | Dallas | Houston | San Antonio | New York, N.Y. | Washington, D.C. | Mexico City - Strasburger & Price, SC

Strasburger
ATTORNEYS AT LAW

Ms. Cynthia T. Brown

January 17, 2017

Page 2

a copy of each filing on a compact disk. A check for \$4,700 representing the combined filing fees is enclosed as well. Please contact me if you have any questions.

Sincerely yours,

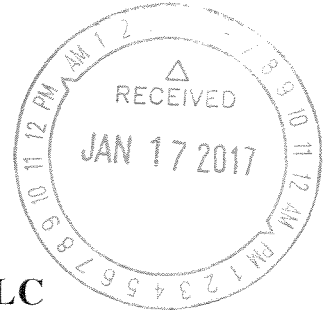
A handwritten signature in dark ink, appearing to read "John D. Heffner", with a long, sweeping horizontal flourish extending to the right.

John D. Heffner

Enclosures

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

FD 36084



**WEST BRANCH INTERMEDIATE HOLDINGS, LLC
AND CONTINENTAL RAIL LLC**

- ACQUISITION OF CONTROL EXEMPTION -

**CIMARRON VALLEY RAILROAD, L.C.,
CLARKDALE ARIZONA CENTRAL RAILROAD, L.C.,
WYOMING AND COLORADO RAILROAD COMPANY, INC.**

**VERIFIED NOTICE OF EXEMPTION
UNDER 49 CFR § 1180.2(d)(2)**

Respectfully submitted,

John D. Heffner
Strasburger & Price, LLP
1025 Connecticut Ave., N.W.
Suite 717
Washington, D.C. 20036
(202) 742-8607
Counsel for Applicants

Color images enclosed

Dated: January 17, 2017

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

FD 36084

**WEST BRANCH INTERMEDIATE HOLDINGS, LLC
AND CONTINENTAL RAIL LLC
- ACQUISITION OF CONTROL EXEMPTION -
CIMARRON VALLEY RAILROAD, L.C.,
CLARKDALE ARIZONA CENTRAL RAILROAD, L.C.,
WYOMING AND COLORADO RAILROAD COMPANY, INC.**

**VERIFIED NOTICE OF EXEMPTION
UNDER 49 CFR § 1180.2(d)(2)**

Pursuant to the class exemption at 49 C.F.R. §1180.2(d)(2), West Branch Intermediate Holdings, LLC. (“West Branch”) and Continental Rail LLC (“Continental”) submits this verified notice of exemption (“Notice”) from 49 U.S.C. §11323 for West Branch to acquire control of, and for Continental to manage, three railroads currently commonly controlled by David L. Durbano (“Durbano”) while West Branch remains in control of Delta Southern Railroad, Inc. Durbano, either directly or indirectly, controls four Class III carriers that are subject to the STB’s jurisdiction: Cimarron Valley Railroad, L.C. (“Cimarron”), Clarkdale Arizona Central Railroad, L.C. (“Clarkdale”), Wyoming and Colorado Railroad Company, Inc. (“WYCO”), and Southwestern Railroad, Inc. (“Southwestern”). Applicants do not intend to acquire control of Southwestern.

Instead, Applicants, through a newly formed subsidiary, New Mexico Central Railroad, LLC (“NMCR”), will acquire certain assets of Southwestern.

In order to claim the section 1180.2(d)(2) exemption, section 1180.4(g) requires the filing of a verified notice of exemption furnishing the information requested in sections 1180.6(a)(1)(i) – (iii), 1180.6(a)(5) – (6), and 1180.6(a)(7)(ii) of those rules. That information is provided as follows:

Description of the Parties: 49 CFR § 1180.6(a)(1)(i)

West Branch is a limited liability company and a non-carrier formed for the purpose of acquiring and financing short line railroads as an investment.

Continental is an existing limited liability company and a non-carrier formed for the purpose of managing and operating short line railroads.

Delta is an existing Class III common carrier short line railroad operating two disconnected former Union Pacific lines in the State of Louisiana between Lake Providence and Tallulah and between Monroe and Sterlington, a total distance of about 36 miles.

Cimarron, is an existing Class III common carrier short line railroad that owns and operates a former Santa Fe Railway (BNSF) line. Cimarron’s line begins west of Dodge City, KS, and divides at Satanta, KS, with one fork continuing to Boise City, OK, and the other fork continuing to Pritchett, CO. Common control of Cimarron by Durbano was exempted by the Board in 1996.

Clarkdale is an existing Class III common carrier short line railroad that owns and operates a former Santa Fe Railway (BNSF) line extending between Drake and Clarkdale, AZ. Common control of Clarkdale by Durbano was exempted by the Board in 1997.

WYCO was the first railroad acquired by Durbano, back in 1987. WYCO has abandoned or sold most of its original Wyoming line, except for the former UP Encampment Branch portion of its line, which is comprised of approximately 23.71-miles of rail line between milepost 0.57 (at Walcott, WY), and milepost 24.28 (at Saratoga, WY) in Carbon County, Wyoming (referred to herein as “Encampment Branch” or “EB Line.”) Recently, WYCO filed a corporate family exemption to transfer ownership of the Encampment Branch from WYCO to a newly created non-carrier in the Durbano corporate family, Saratoga Railroad, LLC (“Saratoga”), and Durbano filed to continue in control of Saratoga upon it becoming a carrier. As a result, the EB Line is excluded as part of WYCO’s operations and is not being transferred to Applicants in this proceeding.

WYCO also operates in Oregon as the Oregon Eastern Railroad (“Oregon Eastern”). In 1989, WYCO established the Oregon Eastern as an operating division. WYCO d/b/a as Oregon Eastern owns and operates a Class III common carrier short line railroad over the former Union Pacific line that extends from milepost 1.88 (at Ontario) to milepost 26.88 (near Celatom) in Oregon, a distance

of approximately 25 miles. In this transaction, West Branch seeks to acquire control of and Continental seeks to manage WYCO d/b/a as the Oregon Eastern.

Brief Summary of Proposed Transaction: 49 CFR § 1180.6(a)(1)(i)

By this notice, through acquisition of stock or membership interests in various S-corporations, Applicants will acquire control of Cimarron, Clarkdale, and WYCO while remaining in control of Delta and NMCR. Applicants do not intend to acquire Mr. Durbano's ownership interest in Southwestern.

Under section 1180.2(d) (2) of the Board's consolidation rules, certain transactions are automatically exempt from the prior approval requirements for common control. Specifically, section 1180.2(d) (2) exempts the acquisition of nonconnecting carriers where (i) the railroads will not connect with each other or any railroad in their corporate family, (ii) the acquisition is not part of a series of anticipated transactions that would connect the railroads with each other or any railroad in their corporate family; and (iii) the transaction does not involve a Class I carrier. None of the railroads Applicant will acquire through this transaction connect with any other railroad in the West Branch/Continental corporate family. West Branch is not undertaking the transaction to connect any of its railroads and has no plans to do so. Furthermore, all involved railroads are Class III railroads. Therefore, the transaction qualifies as an exemption transaction under section 1180.2(d)(2).

Applicants' name, address, and telephone number:

West Branch Intermediate Holdings, LLC
One Embarcadero Center, 39th Floor
San Francisco, CA 94111
(415) 983-2700

Continental Rail LLC
2929 E. Commercial Boulevard, Suite PH-D
Fort Lauderdale, Florida 33308
(855) 946-7245

Legal counsel to whom questions should be addressed:

John D. Heffner
Strasburger & Price, LLP
1025 Connecticut Ave., N.W.
Suite 717
Washington, D.C. 20036
(202) 742-8607

Schedule for consummation: 49 CFR §1180.6(a) (1) (ii)

The parties intend to consummate the proposed transaction on or about
February 17, 2017.

Purpose to be accomplished by the transaction: 49 CFR §1180.6(a) (1) (iii)

Durbano seeks to sell his current railroad assets in order to spend his time on
other business and personal pursuits. West Branch and Continental are young
companies that seek to acquire (and Continental seeks to manage) common carrier
short line and regional railroads as a prudent business investment and an essential

part of our country's infrastructure. West Branch acquired Delta from individuals who sought to sell their business and retire. West Branch and Continental saw the Delta acquisition as an opportunity to rehabilitate and improve an underperforming railroad with substantial potential. They expect to do the same with the Western railroads.

State(s) in which the property of each carrier is situated: 49 CFR §1180.6(a) (5)

<u>Railroad</u>	<u>State(s)</u>
Cimarron	Kansas, Oklahoma, and Colorado
Clarkdale	Arizona
WYCO	Oregon
Delta	Louisiana

Map: 49 CFR § 1180.6(a) (6)

Attached hereto as Exhibit A.

Copy of Agreement: 49 CFR § 1180.6(a) (7) (ii)

At this time, Applicants and Durbano have only entered into a letter of intent. The parties are currently negotiating a purchase and sale agreement. The letter of intent is being submitted under seal accompanied by a motion for a protective order. A final agreement, when completed and executed, will be submitted in the record under seal.

Related transactions:

Concurrent with this filing, Applicants are submitting two related verified notices of exemption. By an exemption notice docketed as FD 36085, a newly established noncarrier, NMCR, seeks Board authority to acquire or lease and operate two segments of railroad currently owned or leased and operated by Southwestern known as its Whitewater Division. In addition, by an exemption notice docketed as FD 36087, Applicants are seeking to continue in control of NMCR once it becomes a carrier while remaining in control of Delta, Cimarron, Clarkdale, and WYCO. The rail properties owned or leased and operated by Southwestern are located in New Mexico, hundreds of miles from the other rail lines that are the subject of this filing.

Certification

Applicants hereby certify that (1) the carriers that are the subject of this notice including Cimarron, Clarkdale, and WYCO, do not connect with each other, Delta, or NMCR, (2) the subject acquisition proceeding is not a part of a series of anticipated transactions that would connect these rail carriers with each other, and (3) the transaction does not involve a Class I carrier.

Environmental and Historic Report:

This acquisition of control and continuance in control proceeding is exempt from environmental review under 49 CFR §1105.6(c)(2)(i) because the proposed action will not cause any operating changes that exceed the thresholds established

in 49 CFR §1105.7(e)(4) or (5). In addition, this proceeding is exempt from historic review under 49 CFR §1105.8(b)(1) because there are no plans to dispose of or alter properties subject to Board jurisdiction that are at least 50 years old. Accordingly, no historic report is required.

Labor Protection

No labor protection applies to transactions involving only class III rail carriers. See, 49 U.S.C. §11326(c).

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'J. D. Heffner', with a long horizontal flourish extending to the right.

John D. Heffner
Strasburger & Price, LLP
1025 Connecticut Ave., N.W.
Suite 717
Washington, D.C. 20036
(202) 742-8607
Counsel for Applicants

Dated: January 17, 2017

EXHIBIT A

Delta Southern Railroad



CONTINENTAL RAIL

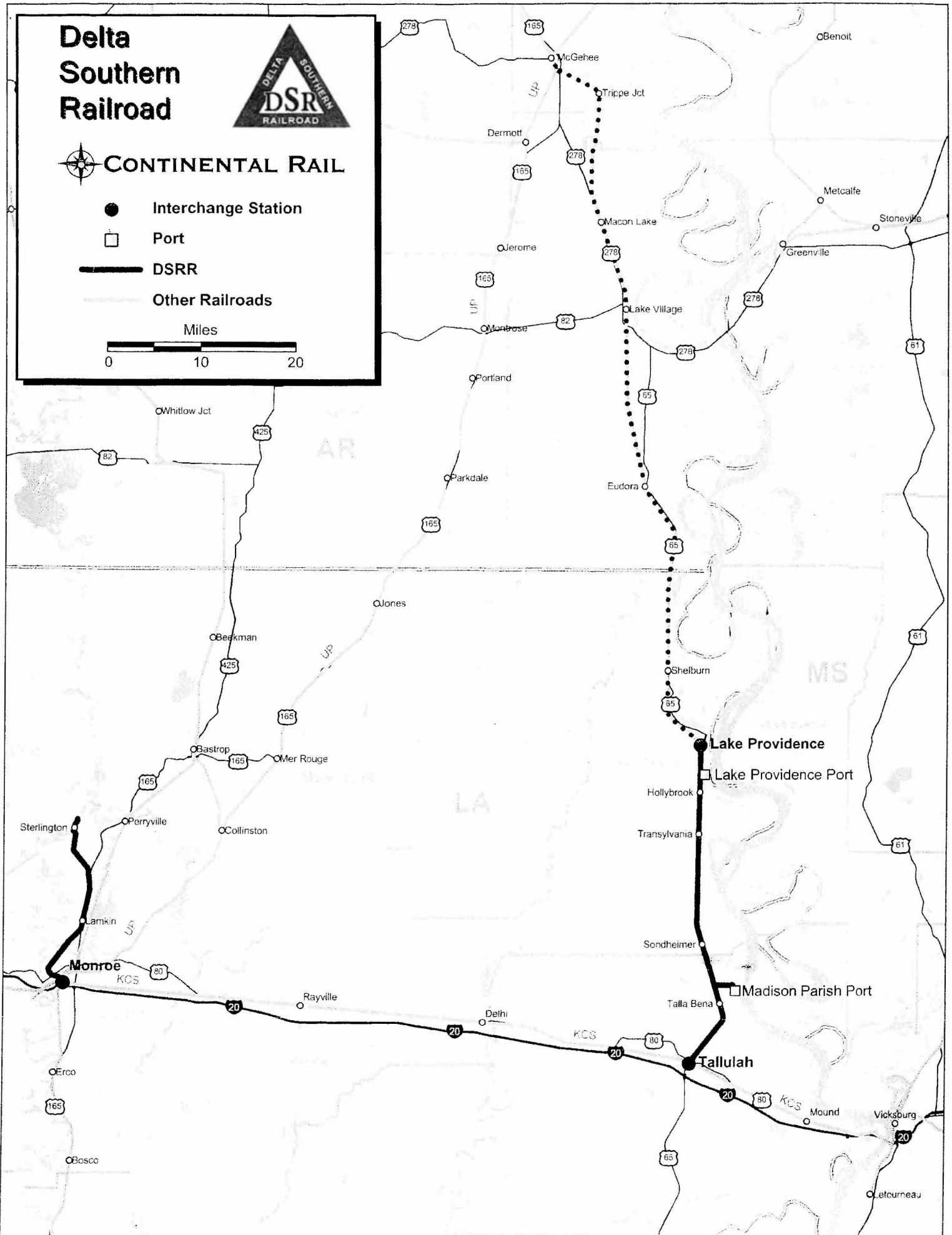
● Interchange Station

□ Port

— DSR

— Other Railroads

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Southwestern Railroad

Whitewater Division



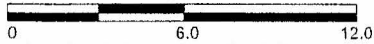
- Interchange Station
- SW
- Union Pacific
- BNSF Railway
- Other Railroads

Southwestern Railcar Services

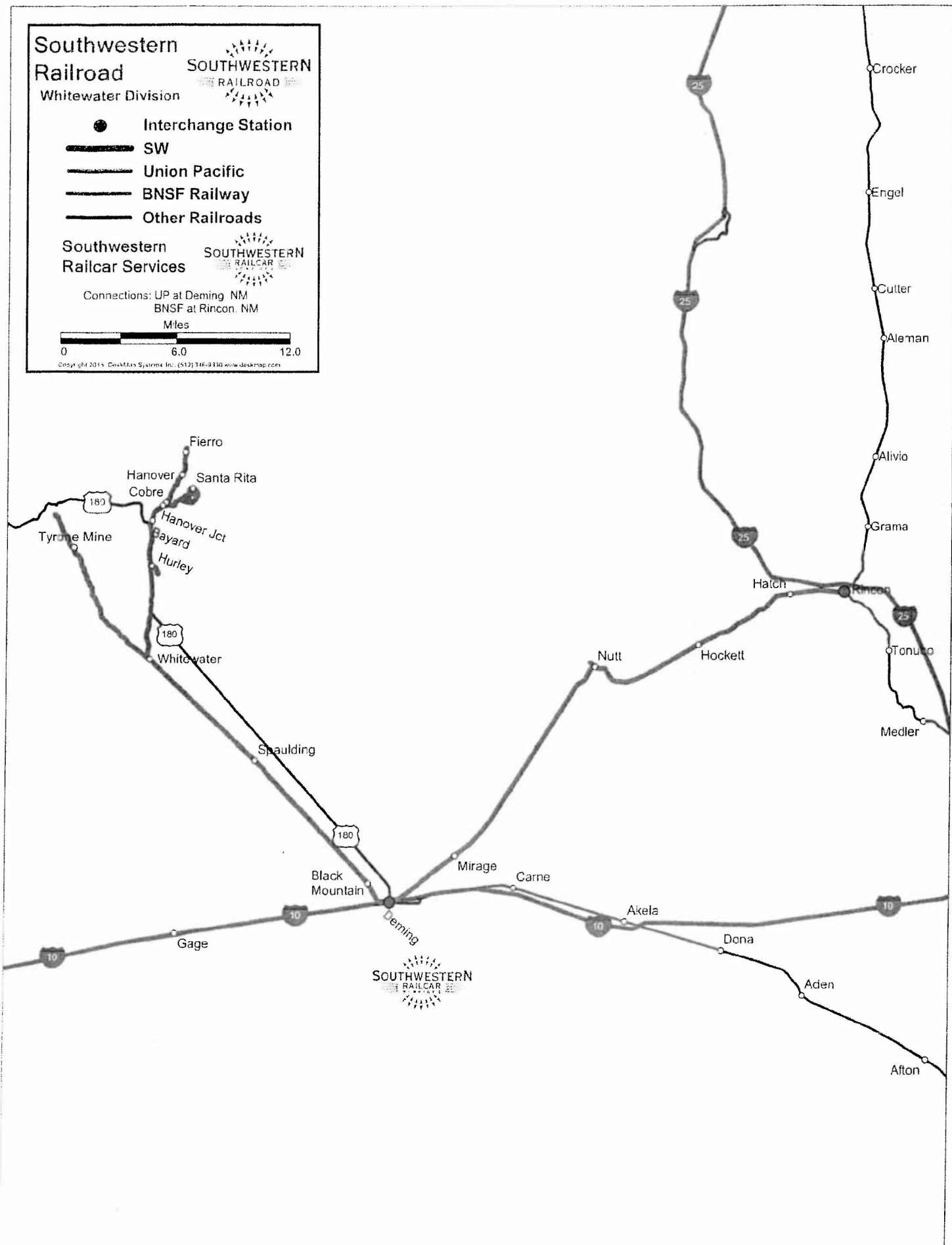


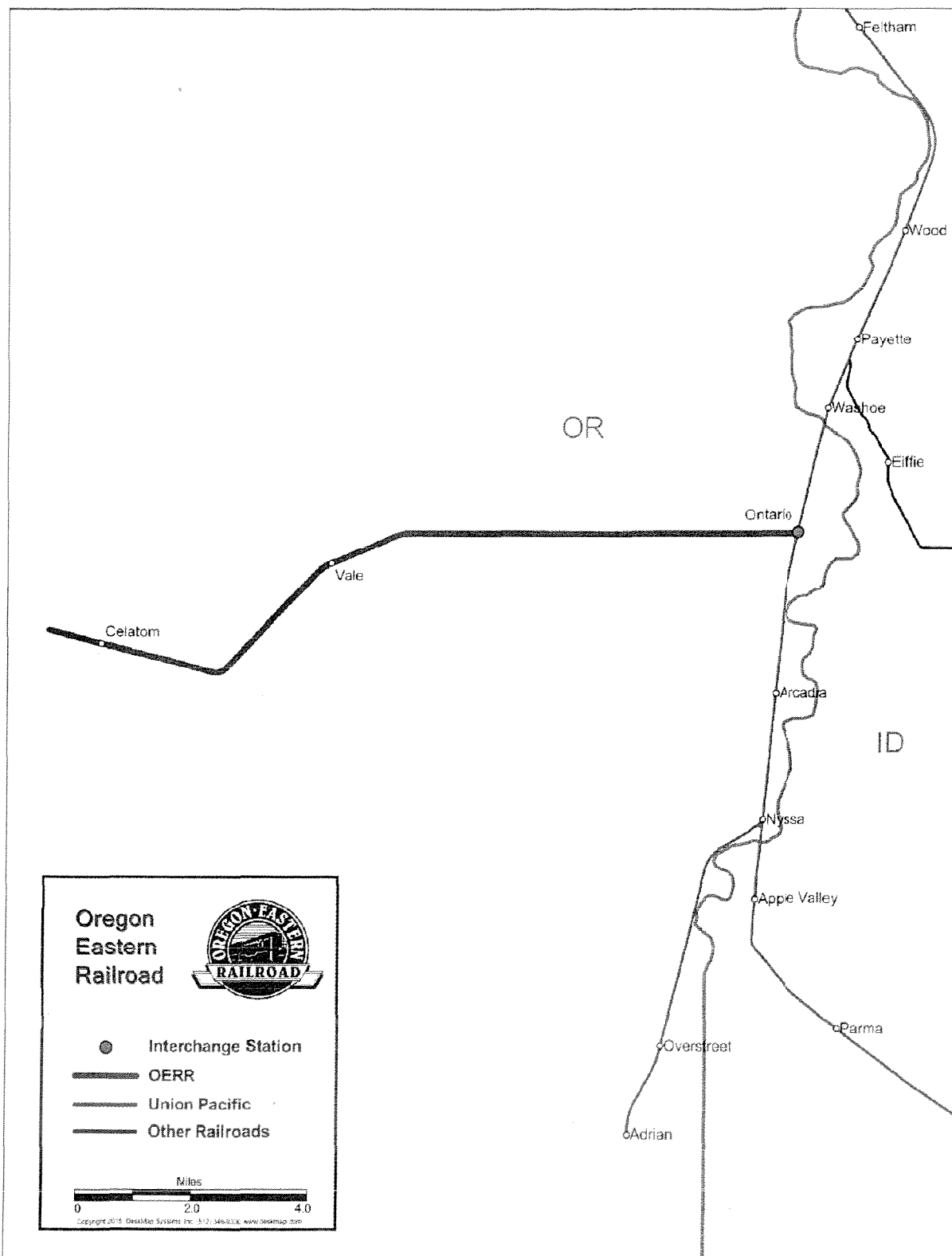
Connections: UP at Deming NM
BNSF at Rincon NM

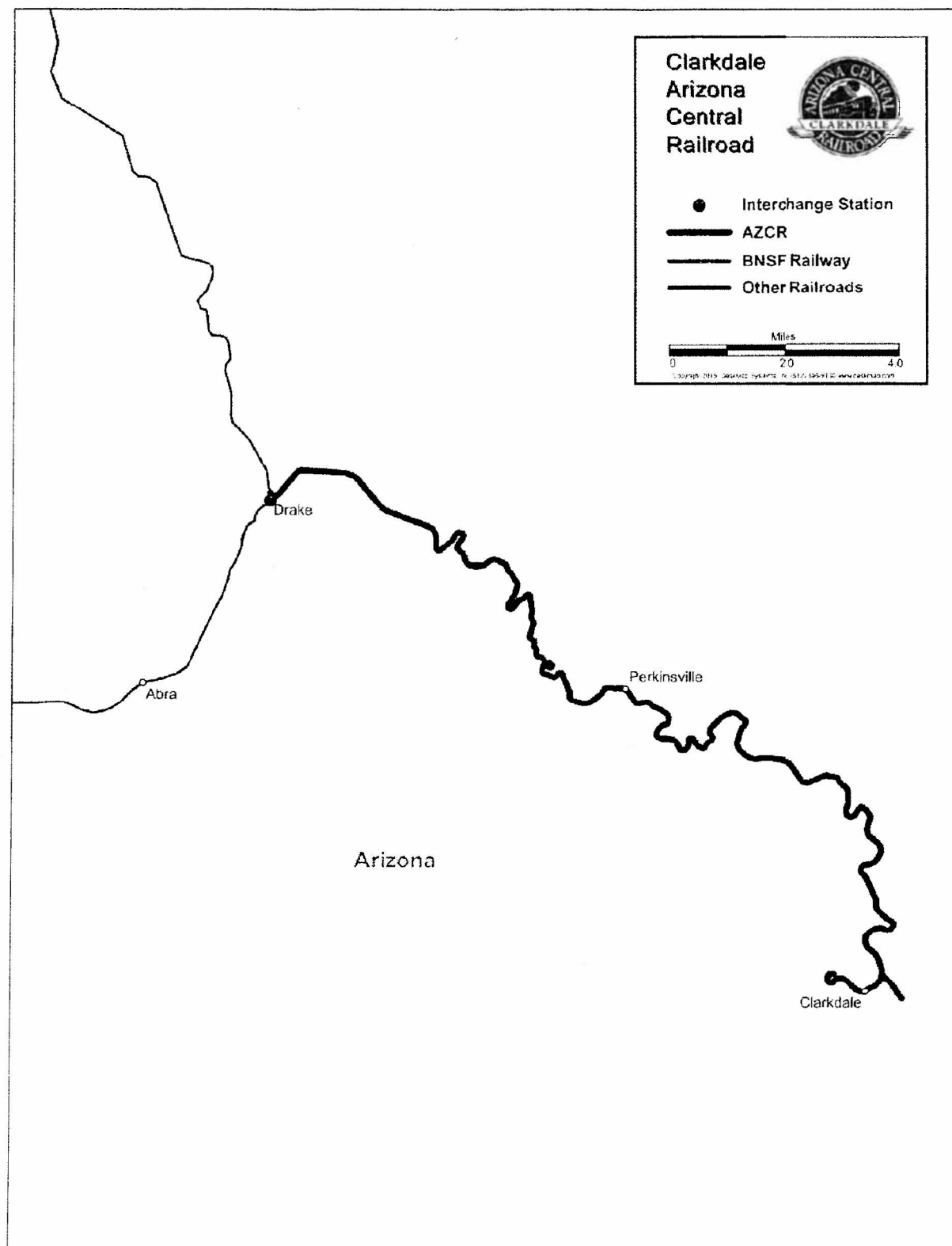
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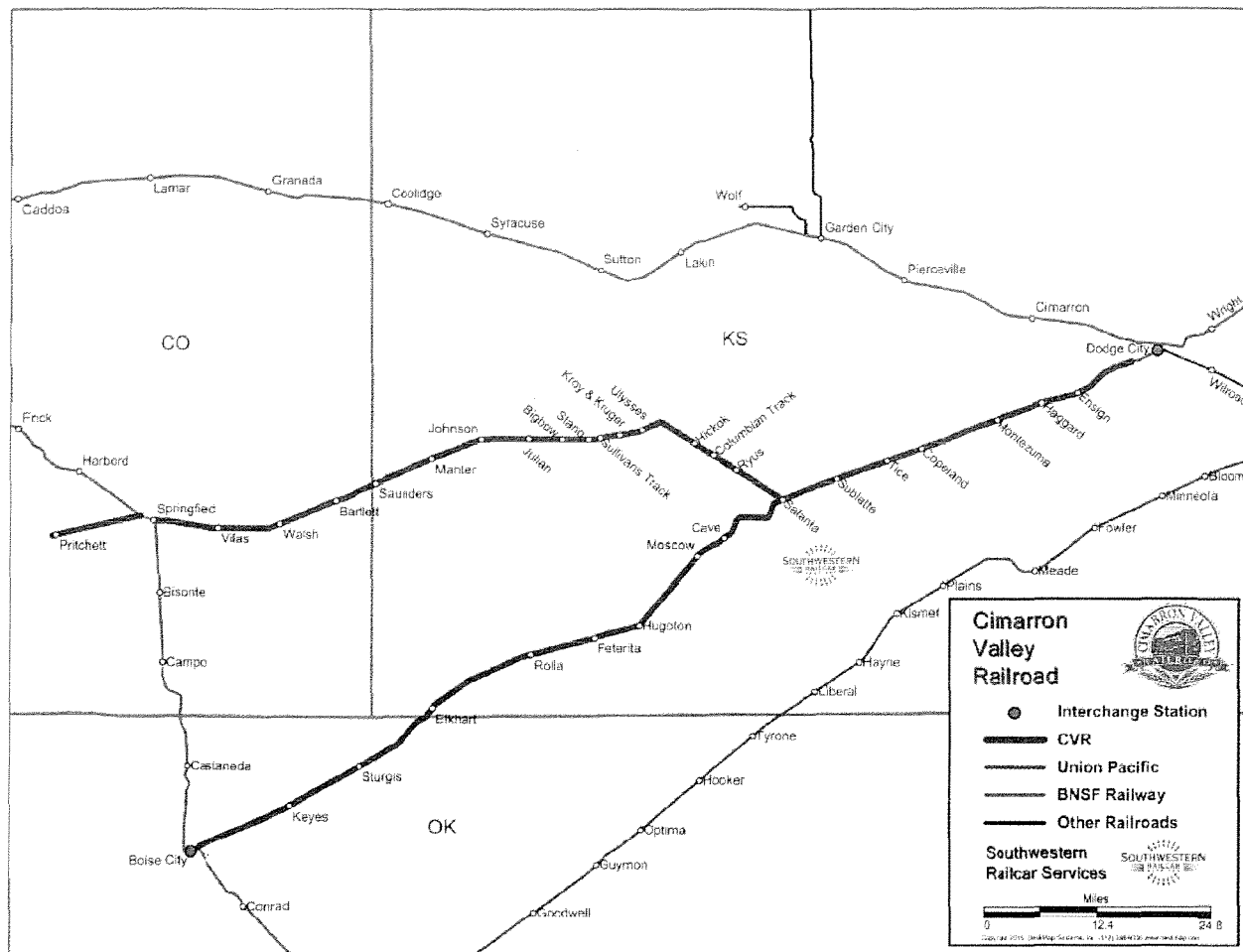


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VERIFICATION

STATE OF Virginia)

CITY OF Alexandria)

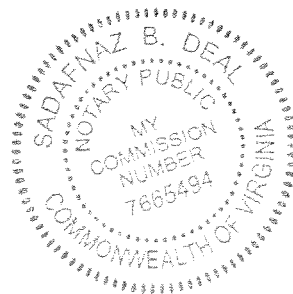
John H. Maring being duly sworn according to law, hereby deposes and states that (s)he holds the position of - CEO - with applicant/petitioner, is authorized to make this Verification, had read the foregoing document, and knows the facts asserted therein are true and accurate as stated, to the best of (her)his knowledge, information, and belief.

John H. Maring

Subscribed to and sworn to before me, a Notary Public, in and for the ^{city} County of Alexandria in the State of VA, this 11th day of Jan.

S. Deal
Notary Public

My Commission expires: 06/30/19





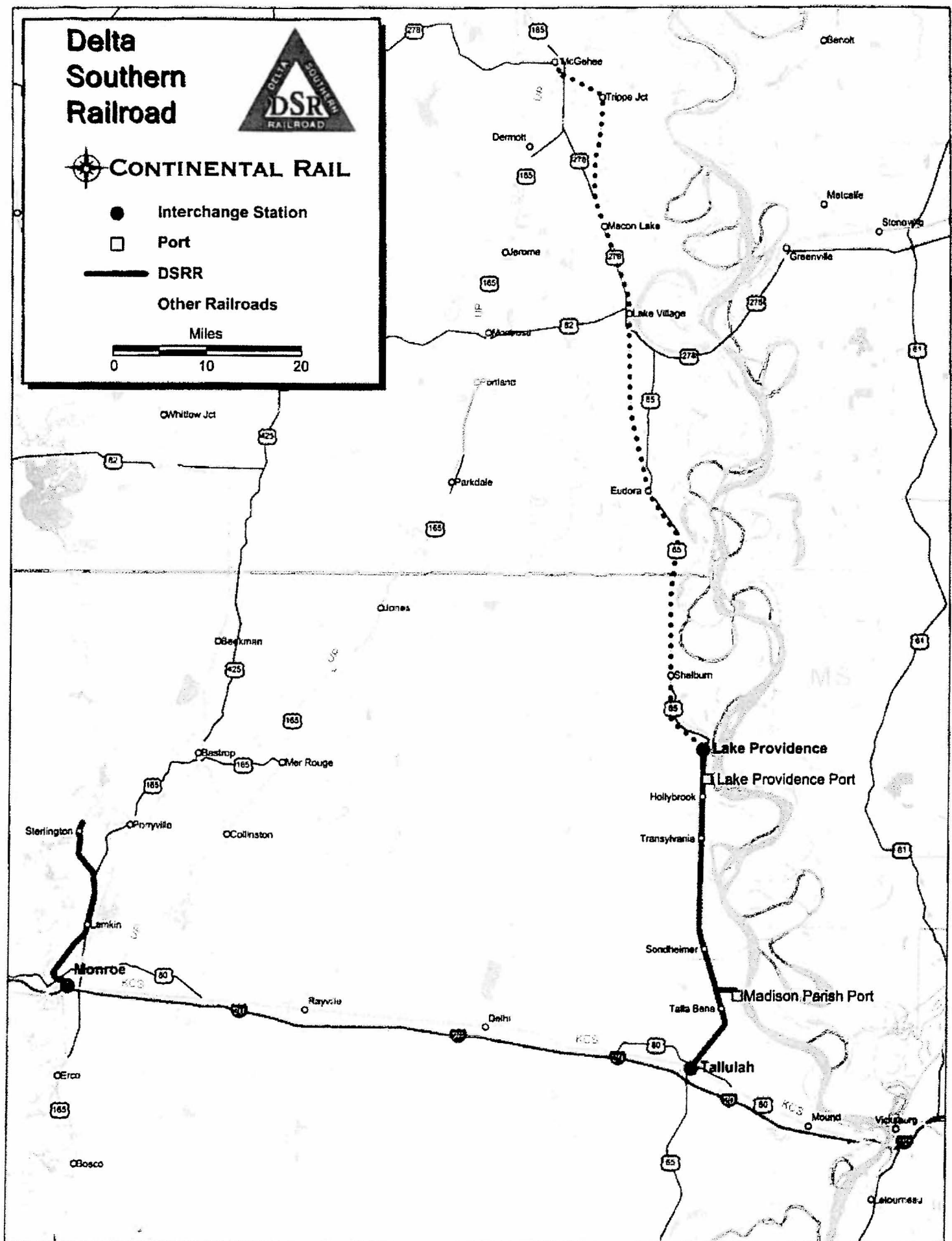
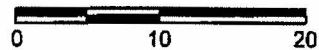
● **Interchange Station**

Port

~~CONFIDENTIAL~~ DSRR

Other Railroads

Miles



Southwestern Railroad

Whitewater Division



● Interchange Station

— SW

— Union Pacific

— BNSF Railway

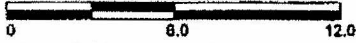
— Other Railroads

Southwestern
Railcar Services



Connections: UP at Deming NM
BNSF at Rincon NM

Miles



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