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August 7, 2006



Edward J. Fishman
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Via Hand Delivery

The Honorable Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street, NW
Washington, DC 20423

ENTERED
Office of Proceedings

AUG 8 - 2006

Part of
Public Record

Re: **Finance Docket No. 34921** ✓
**Intermountain Railroad LLC – Acquisition and Operation Exemption – Line
of Wyoming and Colorado Railroad Company, Inc.**

Dear Secretary Williams:

Enclosed for filing in the above-captioned proceeding is an original and ten copies of the **Verified Notice of Exemption of Intermountain Railroad LLC**, along with a check for \$1,500.00 to cover the filing fee with regard to the above-captioned matter.

Please contact me if you have any questions. Thank you.

Respectfully submitted,

Edward J. Fishman
Counsel for Intermountain Railroad LLC

FEE RECEIVED

AUG 7 2006

**SURFACE
TRANSPORTATION BOARD**

FILED

JUL 7 - 2006

**SURFACE
TRANSPORTATION BOARD**

BEFORE THE
SURFACE TRANSPORTATION BOARD

FINANCE DOCKET NO. 34921

INTERMOUNTAIN RAILROAD LLC
-- ACQUISITION AND OPERATION EXEMPTION --
LINE OF WYOMING AND COLORADO RAILROAD COMPANY, INC.



**VERIFIED NOTICE OF EXEMPTION
OF
INTERMOUNTAIN RAILROAD LLC
PURSUANT TO 49 C.F.R. § 1150.32**

Edward J. Fishman
Brendon P. Fowler
Kirkpatrick & Lockhart Nicholson Graham LLP
1601 K Street N.W.
Washington, DC 20006-1600
(202) 778-9000

**ATTORNEYS FOR INTERMOUNTAIN
RAILROAD LLC**

Dated: August 7, 2006

BEFORE THE
SURFACE TRANSPORTATION BOARD

FINANCE DOCKET NO. 34921

INTERMOUNTAIN RAILROAD LLC
-- ACQUISITION AND OPERATION EXEMPTION --
LINE OF WYOMING AND COLORADO RAILROAD COMPANY, INC.

**VERIFIED NOTICE OF EXEMPTION
OF
INTERMOUNTAIN RAILROAD LLC
PURSUANT TO 49 C.F.R. § 1150.32**

Pursuant to 49 U.S.C. § 10901 and 49 C.F.R. § 1150.31 et seq., Intermountain Railroad LLC ("IMR"), a non-carrier, hereby files this Verified Notice of Exemption to acquire and operate a portion of a rail line currently owned by the Wyoming and Colorado Railroad Company, Inc. ("WYCO") in Carbon County, Wyoming (the "Subject Line"). The total distance of the Subject Line is approximately 0.5 route miles. Based on projected revenues for the Subject Line, IMR expects to become a Class III rail carrier after consummation of the transaction proposed herein.

In accordance with the requirements of 49 C.F.R. § 1150.33, IMR submits the following information:

Name and Address of Applicant: **49 C.F.R. § 1150.33(a)**

The full name and address of the applicant is as follows:

Intermountain Railroad LLC
P.O. Box 670
Montrose, CO 81402

Applicant's Representative: **49 C.F.R. § 1150.33(b)**

IMR's representative to whom correspondence regarding this transaction should be addressed is as follows:

Edward J. Fishman
Kirkpatrick & Lockhart Nicholson Graham LLP
1601 K Street N.W.
Washington, DC 20006-1600
(202) 778-9000

Statement Concerning Agreement: **49 C.F.R. § 1150.33(c)**

IMR and WYCO have entered into an agreement providing for IMR's acquisition and operation of the Subject Line.

Operation of the Property: **49 C.F.R. § 1150.33(d)**

IMR will be the operator of the Subject Line.

Summary of the Transaction: **49 C.F.R. § 1150.33(e)**

Pursuant to the agreement entered into by WYCO and IMR, IMR will purchase from WYCO and operate a rail line that extends between approximately Milepost 0.57 and approximately Milepost 1.07 near Walcott, in Carbon County, Wyoming. The total distance of the rail line to be acquired by IMR is approximately 0.5 route miles.

The Subject Line is currently owned by WYCO, and is a part of WYCO's line of railroad between Saratoga and Walcott, Wyoming that connects with the Union Pacific Railroad Company ("UP") at Walcott. In Docket No. AB-307 (Sub-No. 6X), Wyoming and Colorado Railroad Company, Inc. – Abandonment Exemption – In Carbon County, WY, WYCO filed a petition for exemption to abandon its line of railroad between Saratoga and Walcott. By decision in that proceeding served on May 31, 2006 and effective as of June 30, 2006, the Board granted WYCO authority to abandon the its line of railroad between Saratoga and Walcott. On June 1, 2006, IMR's parent company Intermountain Resources LLC ("Intermountain")¹ filed a Notice of Intent to File an Offer of Financial Assistance ("OFA"). Intermountain and WYCO subsequently negotiated the purchase and sale transaction that is the subject of this notice.

¹ IMR is a wholly-owned subsidiary of Intermountain that was formed to acquire and operate the Subject Line.

WYCO has not consummated the abandonment of the Subject Line, and has agreed to sell the Subject Line to IMR outside the OFA process.

Intermountain owns a sawmill in Saratoga, Wyoming that under prior ownership was served by WYCO's line of railroad between Saratoga and Walcott. In order to preserve its access to rail service, Intermountain through its wholly-owned subsidiary IMR will acquire the Subject Line. IMR plans to use the Subject Line to handle transloaded lumber and wood chips produced by Intermountain's sawmill and other Intermountain traffic to and from the interchange with UP at Walcott. IMR will hold itself out to provide common carrier service to third parties on the Subject Line.

The parties intend to consummate this transaction on or soon after the date this Notice of Exemption becomes effective.

Map:

49 C.F.R. § 1150.33(f)

A map indicating the area served by the Subject Line, including origins, termini, stations, cities and counties, is attached as Exhibit A to this Notice.

Certification of Class III Status:

49 C.F.R. § 1150.33(g)

A certificate complying with the provisions of 49 C.F.R. § 1150.33(g) is attached as Exhibit B to the Notice. Based on projected revenues for the Subject Line, IMR will become a Class III rail carrier after consummation of the transaction proposed herein.

Environmental/Historic Preservation Data:

49 C.F.R. Part 1105

Under 49 C.F.R. § 1105.6(c)(2)(i), the proposed purchase and operation of the Subject Line by IMR is exempt from environmental reporting requirements because it will not result in significant changes in carrier operations (i.e. changes which exceed the thresholds established in 49 C.F.R. § 1105.7(e)(4) or (5)).

Under 49 C.F.R. § 1105.8(b)(3), the proposed purchase and operation of the Subject Line by IMR also is exempt from historic preservation reporting requirements. IMR's purchase of the Subject Line is for the purpose of continued rail operations. Further Surface Transportation

Board approval is required to abandon any service, and there are no plans to dispose of or alter properties subject to Board jurisdiction that are fifty years old or older.

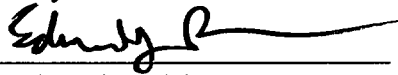
Caption Summary:

49 C.F.R. § 1150.34

A caption summary in the appropriate form is attached as Exhibit C to the Notice.

Respectfully submitted,

By: _____



Edward J. Fishman

Brendon P. Fowler

Kirkpatrick & Lockhart Nicholson Graham LLP

1601 K Street N.W.

Washington, DC 20006-1600

(202) 778-9000

Dated: August 7, 2006

**ATTORNEYS FOR INTERMOUNTAIN
RAILROAD LLC.**

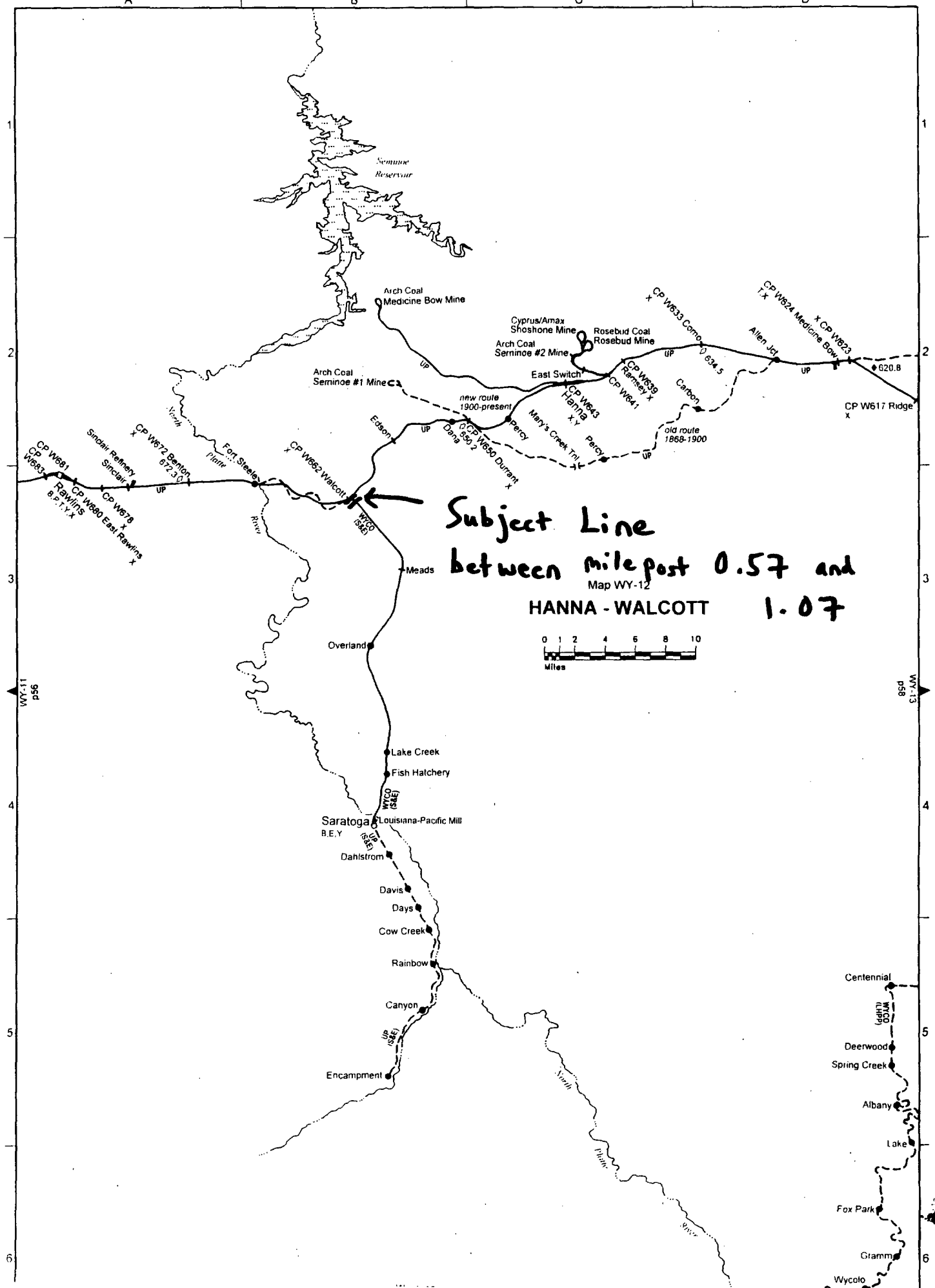
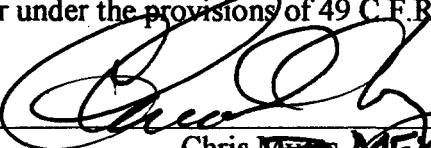


EXHIBIT B

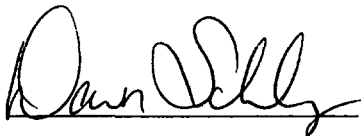
CERTIFICATION

^{CM}
MEYERS
Chris Myers, being duly sworn, certifies that the projected revenues of Intermountain Railroad LLC upon consummation of the proposed transaction will not result in the creation of a Class I or Class II rail carrier under the provisions of 49 C.F.R. § 1201 (1-1).


Chris ~~Myers~~ **MEYERS** ^{CM}
Intermountain Railroad LLC

SUBSCRIBED AND SWORN TO

before me this 2nd day
of August, 2006



Notary Public

My Commission expires: 5/19/07

BEFORE THE
SURFACE TRANSPORTATION BOARD

FINANCE DOCKET NO. 34921

INTERMOUNTAIN RAILROAD LLC
-- ACQUISITION AND OPERATION EXEMPTION --
LINE OF WYOMING AND COLORADO RAILROAD COMPANY, INC.

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Comments must be filed with the Board and served on Edward J. Fishman, Kirkpatrick & Lockhart Nicholson Graham LLP, 1601 K Street N.W., Washington, DC 20006-1600; (202) 778-9000.

This notice is filed under 49 C.F.R. § 1150.31. If the notice contains false or misleading information, the exemption is void ab initio. Petitions to revoke the exemption under 49 U.S.C. § 10505(d) may be filed at any time. The filing of a petition to revoke will not automatically stay the transaction.

Date: August _____, 2006

By the Board

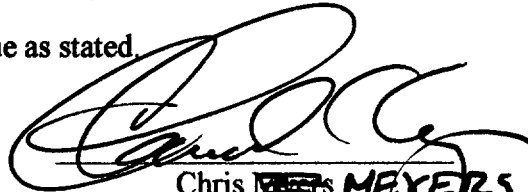
Vernon A. Williams

Secretary

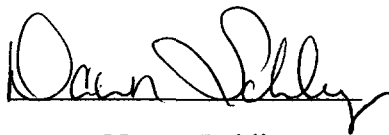
VERIFICATION

State of Colorado)
) ss:
County of Montrose

^{CM}
MEYERS
Chris Myers, being duly sworn, deposes and says that he is a Manager of Intermountain Railroad LLC, that he has read the foregoing Notice of Exemption and knows the facts asserted therein, and that the same are true as stated.


Chris ~~Myers~~ **MEYERS**
Intermountain Railroad LLC

SUBSCRIBED AND SWORN TO
before me this 2nd day
of August, 2006


Notary Public

My Commission expires: 5/19/07