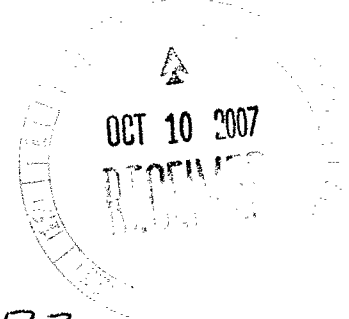


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OCT 10 2007
SURFACE
TRANSPORTATION BOARD

LAW OFFICE
JOHN D. HEFFNER, PLLC
1750 K STREET, N.W.
SUITE 350
WASHINGTON, D.C. 20006
PH: (202) 296-3333
FAX: (202) 296-3939

ORIGINAL



BY HAND

220433

October 10, 2007

Honorable Vernon A. Williams
Surface Transportation Board
395 E Street, SW - Suite 1149
Washington, D.C. 20423-0001

ENTERED
Office of Proceedings
OCT 10 2007
Part of
Public Record

RE: STB Docket No. 35079, West Texas and Lubbock Railway
Company -- Acquisition and Operation Exemption -- BNSF
Railroad Company

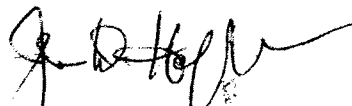
Dear Mr. Williams:

On behalf of West Texas and Lubbock Railway Company, I
am enclosing for filing in the above-captioned proceeding
an original and ten copies of its notice of exemption for
the acquisition and operation of rail line.

You will also find a diskette containing the docket
and a check in the amount of \$1600.00

Please date stamp and return one copy for my records.

Sincerely yours,


John D. Heffner

cc: Mr. Ed Ellis

FILED
OCT 10 2007
SURFACE
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BEFORE THE
SURFACE TRANSPORTATION BOARD

STB FINANCE DOCKET NO. 35079

OCT 10 2007

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OCT 10 2007

SURFACE
TRANSPORTATION BOARD

WEST TEXAS AND LUBBOCK RAILWAY COMPANY
ACQUISITION AND OPERATION EXEMPTION --
BNSF RAILROAD COMPANY

220433

VERIFIED NOTICE OF EXEMPTION
PURSUANT TO 49 U.S.C. 10902 and 49 CFR 1150.41

NOTICE OF ACQUISITION AND OPERATION OF RAIL LINE

FILED

OCT 10 2007

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TRANSPORTATION BOARD

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Public Record

Submitted By:

John D. Heffner
John D. Heffner, PLLC
1750 K Street, N.W.
Suite 350
Washington, D.C. 20006
(202) 296-3334

James H. M. Savage
1750 K Street, N.W.
Suite 350
Washington, D.C. 20006
(202) 296-3335

Counsel for Petitioner

Dated: October 10, 2007

BEFORE THE
SURFACE TRANSPORTATION BOARD

OCT 10 2007

STB FINANCE DOCKET NO. 35079

WEST TEXAS AND LUBBOCK RAILWAY COMPANY
-- ACQUISITION AND OPERATION EXEMPTION --
BNSF RAILROAD COMPANY

VERIFIED NOTICE OF EXEMPTION
PURSUANT TO 49 U.S.C. 10902 and 49 CFR 1150.41

NOTICE OF ACQUISITION AND OPERATION OF RAIL LINE

INFORMATION REQUIRED BY 49 CFR 1150.43

Name and Address of Applicant

49 CFR 1150.43(a)

West Texas and Lubbock Railway Company
c/o Iowa Pacific Holdings, LLC
118 South Clinton
Suite 300
Chicago, IL 60611

Applicant's Representative

49 CFR 1150.43(b)

John D. Heffner
James H. M. Savage
John D. Heffner, PLLC
1750 K Street, N.W.
Suite 350
Washington, D.C. 20006
(202) 296-3334

Statement of Agreement(s)

49 CFR 1150.43(c)

Iowa Pacific Holdings, LLC ("IPH") on behalf of its wholly-owned subsidiary West Texas & Lubbock Railway ("WTLC") expects to execute an agreement shortly with the BNSF Railway Company ("BNSF") for the purchase and operation of rail property known as the South Plains Subdivision between Milepost 330.1 west of Plainview, TX and the end of BNSF's track near Milepost 367.6 in Dimmitt, TX. The subject rail property totals approximately 37.5 miles in length.

Operator of the Property

49 CFR 1150.43(d)

In all cases anticipated by this Notice, and as described in the transaction summary provided below, WTLC will hold itself out to provide common carrier rail freight service over the subject rail property.

Brief Summary of Transaction

49 CFR 1150.43(e)

This exemption involves the purchase and operation by WTLC, an existing class III short line railroad subsidiary of IPH.¹ WTLC will replace service presently being performed by BNSF Railway Company,

¹ IPH owns WTLC through its wholly owned subsidiary Permian Basin Railways, Inc. ("PBR").

2500 Lou Menk Drive, Fort Worth, TX 76131. WTLC plans to commence operations on or after November 10, 2007, more than thirty days after the filing of this notice. The purchase and operation of rail property known as the South Plains Subdivision is located between Milepost 330.1 west of Plainview, TX and the end of BNSF's track near Milepost 367.6 in Dimmitt, TX. The subject rail property totals approximately 37.5 miles in length.

Shippers will benefit insofar as WTLC will market its service so as to be more responsive to the needs of local customers. Moreover, WTLC's lower cost structure will enable it to provide service at lower rates than a class I railroad can provide.

Map of Area to be Served

49 CFR 1150.43(f)

A map that clearly indicates the area to be served, including origins, termini, stations, cities, counties, and states, is attached as Exhibit A.

Certificate of Carrier Classification

49 CFR 1150.43(g)

WTLC certifies that, with this acquisition, its projected annual revenues will be less than \$5,000,000 annually, and therefore will not result in the

creation of a Class II or Class I rail carrier. A certificate complying with the provisions of 49 CFR 1150.43(g) is attached as Exhibit B to this notice.

Labor Protection

49 U.S.C. 10902

Labor protective conditions do not apply and will not be imposed.

Caption Summary

49 CFR 1150.44

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

Environmental and Historic Preservation Data

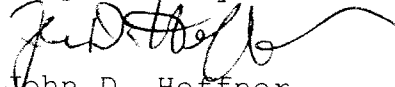
49 CFR 1105

Pursuant to 49 CFR 1105.6(c)(2), the proposed transaction is exempt from environmental review under 49 CFR 1105.6(c)(2)(i), because the actions proposed herein will not cause any operating changes that exceed the thresholds established in 1105.7(e)(4) or (5).

In addition, this transaction is exempt from historic review under 1105.8(b)(1). Under this section, a sale, lease or transfer of a rail line is exempt if rail operations will continue; further

Board approval is required for the parties to abandon service; and there are no plans to dispose of or alter the properties subject to Board jurisdiction that are 50 years older older.

Respectfully submitted,



John D. Heffner
John D. Heffner, PLLC
1750 K Street, N.W.
Suite 350
Washington, D.C. 20006
(202) 296-3334

James H. M. Savage
1750 K Street, N.W.
Suite 350
Washington, D.C. 20006
(202) 296-3335

Counsel for Petitioner

Dated: October 10, 2007

EXHIBIT A

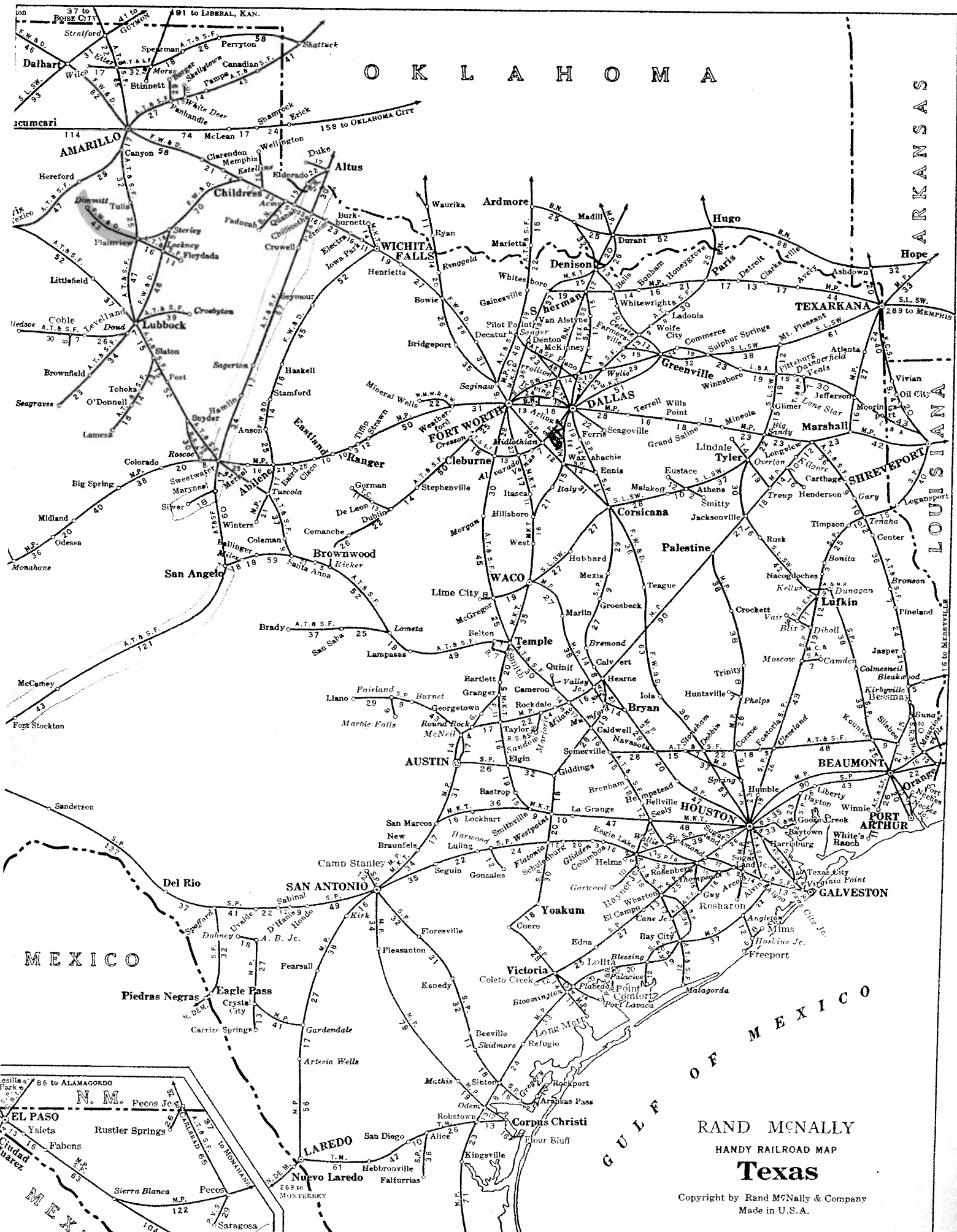
O K L A H O M A

ARKANSAS

LOUISIANA

GULF OF MEXICO

MEXICO

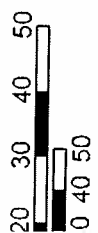
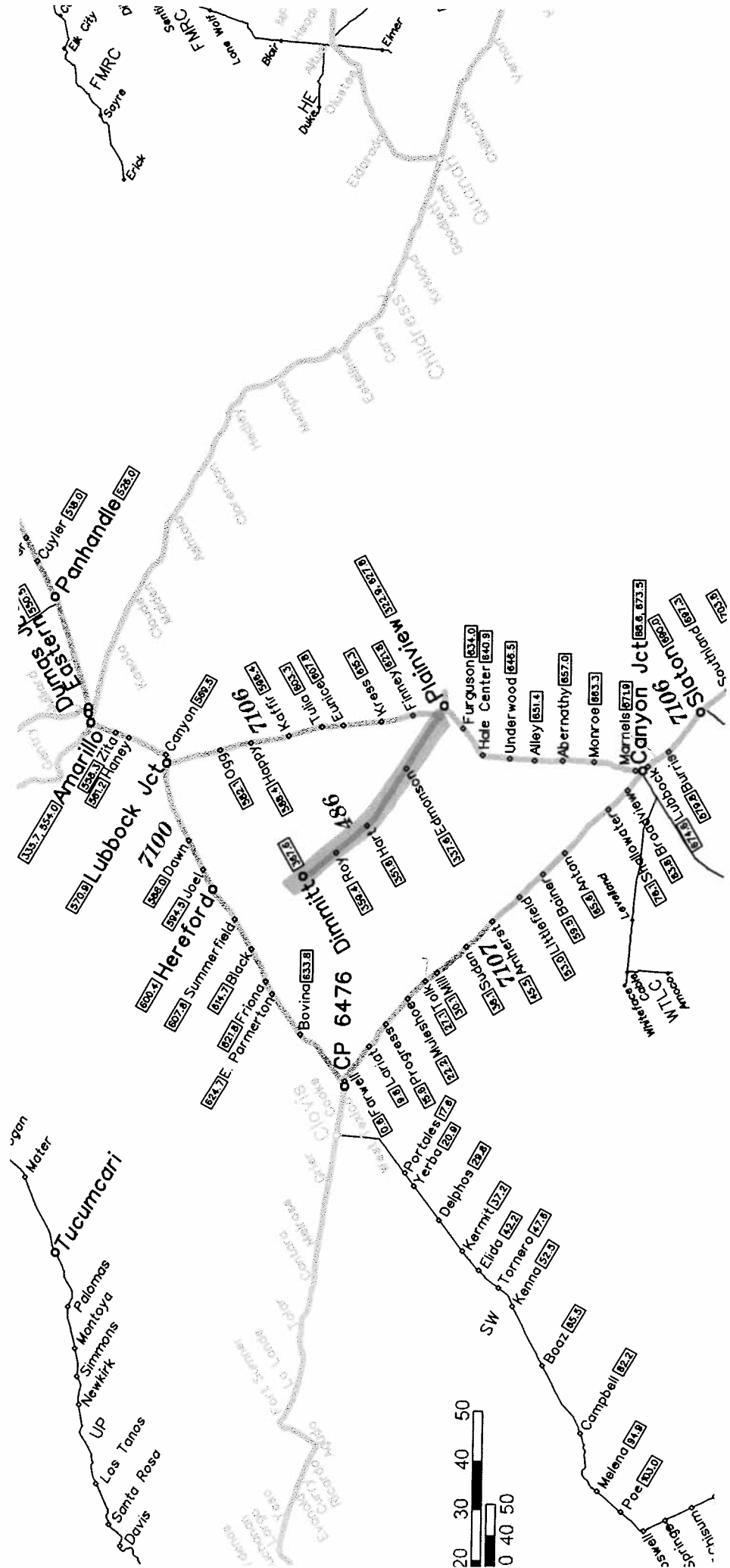


RAND McNALLY

HANDY RAILROAD MAP

Texas

Copyright by Rand McNally & Company
Made in U.S.A.



0 20 40 60

EXHIBIT B

CERTIFICATION

I, Edwin Ellis, an officer of the West Texas & Lubbock Railway Company ("WTLC") hereby certify under penalty of perjury that the projected annual railroad operating revenues of WTLC, in the aggregate, will not exceed \$5,000,000, and that WTLC will be a Class III rail carrier as set forth at 49 CFR 1201 (1-1) (a). Further, I certify that I am qualified and authorized to make this certification on behalf of WTLC.

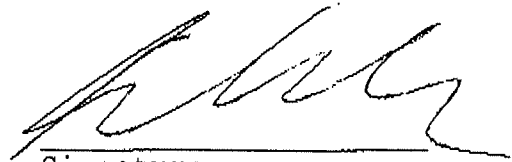

Signature

EXHIBIT C

SURFACE TRANSPORTATION BOARD

NOTICE OF EXEMPTION

STB FINANCE DOCKET NO. 35079

**WEST TEXAS AND LUBBOCK RAILWAY COMPANY
-- ACQUISITION AND OPERATION EXEMPTION --
BNSF RAILWAY COMPANY**

NOTICE OF ACQUISITION AND OPERATION OF RAIL LINE

West Texas and Lubbock Railway Company ("WTLC"), an existing class III short line railroad common carrier, has filed a Verified Notice of Exemption under 49 CFR 1150.41 to purchase and operate a line of railroad known as the South Plains Subdivision currently owned by the BNSF Railway Company ("BNSF"). The subject rail property consists of approximately 37.5 miles of railroad extending between Milepost 330.1 west of Plainview, TX and the end of BNSF's track at Milepost 367.6 in Dimmitt, TX.

WTLC plans to consummate this transaction on or after November 10, 2007, more than thirty days after the filing of this exemption.

Comments must be filed with the Board and served on:

John D. Heffner
James H. M. Savage
John D. Heffner, PLLC
1750 K Street, N.W. - Suite 350
Washington, D.C. 20006
Telephone: (202) 296-3333

And

Jake DeBoever, Esq.
BNSF Railway Company
2500 Lou Menk Drive
Fort Worth, Texas 76131
Telephone: (817) 352-3394

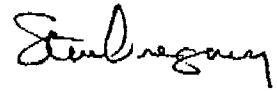
This notice is filed under 49 C.F.R. 1150.41. If the notice contains false or misleading information, the exemption is void ab initio. The filing of a petition to revoke will not automatically stay the transaction.

(seal)

Vernon A. Williams
Secretary

"Pursuant to 28 U.S.C. 1746, I declare and verify under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed on: October 10, 2007.

A handwritten signature in black ink, appearing to read "Steven Gregory". The signature is written in a cursive, somewhat stylized font.

[signature]