

ORIGINAL

LAW OFFICE
THOMAS F. MCFARLAND, P.C.
208 SOUTH LASALLE STREET - SUITE 1890
CHICAGO, ILLINOIS 60604-1112
TELEPHONE (312) 236-0204
FAX (312) 201-9695
mcfarland@aol.com

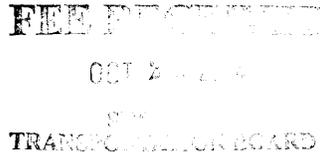


THOMAS F. MCFARLAND

October 25, 2004

By UPS overnight mail

Vernon A. Williams, Secretary
Surface Transportation Board
Case Control Unit, Suite 713
1925 K Street, N.W.
Washington, DC 20423-0001



Re: Finance Docket No. 34604, *Rio Valley Railroad, Inc. -- Acquisition Exemption -- Rail Lines of Union Pacific Railroad Company in Cameron County, TX* 2/2 348

Finance Docket No. 34605, *Rio Valley Switching Company -- Operation Exemption -- Rio Valley Railroad, Inc.* 2/2 351

Dear Mr. Williams:

Enclosed please find an original and 10 copies of Notices of Exemption Under 49 C.F.R. § 1150.41, for filing with the Board in the above referenced matters.

Also enclosed is Ironhorse Resources, Inc.'s check #13326 in the amount of \$2,800 for the filing fee.

RECEIVED
Office of Proceedings

OCT 26 2004

Part of
Public Record

Very truly yours,

Tom McFarland

Thomas F. McFarland
Attorney for Applicants

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FILED
OCT 26 2004
SURFACE
TRANSPORTATION BOARD

BEFORE THE
SURFACE TRANSPORTATION BOARD

RIO VALLEY RAILROAD, INC. --)	
ACQUISITION EXEMPTION -- RAIL)	FINANCE DOCKET
LINES OF UNION PACIFIC RAILROAD)	NO. 34604 - 2/2348
COMPANY IN CAMERON COUNTY,)	
TX)	
)	
)	
RIO VALLEY SWITCHING COMPANY)	FINANCE DOCKET
-- OPERATION EXEMPTION -- RIO)	NO. 34605 - 2/2351
VALLEY RAILROAD, INC.)	

**NOTICES OF EXEMPTION
UNDER 49 C.F.R. § 1150.41**

RIO VALLEY RAILROAD, INC.
RIO VALLEY SWITCHING COMPANY
101 North 21st Street
McAllen, TX 78501

Applicants

THOMAS F. McFARLAND
THOMAS F. McFARLAND, P.C.
208 South LaSalle Street, #1890
Chicago, IL 60604-1112
(312) 236-0204

Attorney for Applicants

Date Filed: October 26, 2004

BEFORE THE
SURFACE TRANSPORTATION BOARD

RIO VALLEY RAILROAD, INC. --)	
ACQUISITION EXEMPTION -- RAIL)	FINANCE DOCKET
LINES OF UNION PACIFIC RAILROAD)	NO. 34604
COMPANY IN CAMERON COUNTY,)	
TX)	
)	
RIO VALLEY SWITCHING COMPANY)	FINANCE DOCKET
-- OPERATION EXEMPTION -- RIO)	NO. 34605
VALLEY RAILROAD, INC.)	

**NOTICES OF EXEMPTION
UNDER 49 C.F.R. § 1150.41**

Pursuant to 49 C.F.R. § 1150.41, *et seq.*, in Finance Docket No. 34604, RIO VALLEY RAILROAD, INC. (RVRI), a Class III rail carrier, hereby provides notice of its exemption from 49 U.S.C. § 10902 for its acquisition by lease from UNION PACIFIC RAILROAD COMPANY (UP) of the following rail lines: (1) a portion of the Mission Industrial Lead from Milepost 0.06 at a point 50 feet measured at a right angle from UP's Brownsville Subdivision main track No. 104 at Harlingen, TX to Milepost 1.00 in Harlingen Yard at Harlingen, TX; (2) the Santa Rosa Industrial Lead from Milepost 0.00 in Harlingen Yard, Harlingen, TX to Milepost 11.38 near Rogers Lacy, TX; and (3) approximately 5 miles of track in Harlingen Yard at Harlingen, TX ("the Rail Lines"). In total, the rail lines encompass approximately 17.38 miles in Cameron County, TX.

Simultaneously, also pursuant to 49 C.F.R. § 1150.41, *et seq.*, in Finance Docket No. 34605, RIO VALLEY SWITCHING COMPANY (RVSC) hereby provides notice of its exemption from 49 U.S.C. § 10902 for its operation of the Rail Lines pursuant to an operating agreement with RVRI.

A map of the Rail Lines to be leased and operated is attached to this Notice as Appendix 1.

INFORMATION REQUIRED BY 49 C.F.R. § 1150.43

The following is furnished pursuant to 49 C.F.R. § 1150.43:

(a) *The full name and address of the Class III rail carrier applicants;*

Applicants are Rio Valley Railroad, Inc. (Finance Docket No. 34604) and Rio Valley Switching Company (Finance Docket No. 34605), both of 101 North 21st Street, McAllen, TX 78501.

(b) *The name, address, and telephone number of the representative of the applicant who should receive correspondence;*

Applicants' representative who should receive correspondence is Thomas F. McFarland, Thomas F. McFarland, P.C., 208 South LaSalle Street, #1890, Chicago, IL 60604-1112, 312-236-0204.

(c) *A statement that an agreement has been reached or details about when an agreement will be reached;*

An agreement has been reached between UP and RVRI for lease of the Rail Lines and between RVRI and RVSC for operation of the Rail Lines.

(d) *The operator of the property;*

The operator of the property will be RVSC.

(e) *A brief summary of the proposed transaction, including:*

(1) *The name and address of the railroad transferring the subject property to the Class III rail carrier applicant;*

The railroad leasing the subject property to RVRI is Union Pacific Railroad Company, 1400 Douglas Street, Stop 1350, Omaha, NE 68179-1350.

(2) *The proposed time schedule for consummation of the transaction;*

The transactions will be consummated no earlier than seven days after the filing of this notice.

(3) *The mileposts of the subject property, including any branch lines; and*

The Rail Lines to be leased and operated by milepost are:

(a) a portion of the Mission Industrial Lead from Milepost 0.06 at a point 50 feet measured at a right angle from UP's Brownsville Subdivision main track No. 104 at Harlingen, TX to Milepost 1.00 in Harlingen Yard at Harlingen, TX;

(b) the Santa Rosa Industrial Lead from Milepost 0.00 in Harlingen Yard, Harlingen, TX to Milepost 11.38 near Rogers Lacy, TX; and

(c) approximately 5 miles of track in Harlingen Yard at Harlingen, TX.

(4) *The total route miles being acquired;*

A total of approximately 17.38 route miles are being leased and operated.

(f) *A map that clearly indicates the area to be served, including origins, termini, stations, cities, counties, and states; and*

The required map is attached to this notice as Appendix 1.

- (g) *A certificate that applicant's projected revenues as a result of the transaction will not result in the creation of a Class II or Class I rail carrier so as to require processing under § 1150.45.*

The required certification is attached to this notice as Appendix 2.

VERIFICATION

A verification is included in Appendix 2.

CAPTION SUMMARY

The required caption summary is attached as Appendix 3.

ENVIRONMENTAL AND HISTORIC CONSIDERATIONS

Pursuant to 49 C.F.R. § 1105.6(c)(2) and 1105.7(b)(1), there is no requirement of environmental or historic reporting in conjunction with these notices. Applicants believe that the lease and operation of the Rail Lines resulting from this notice will not have a significant adverse effect on the human environment nor on structures of historical significance.

LABOR CONSIDERATIONS

Pursuant to 49 U.S.C. § 10902(d), the Board is prohibited from imposing labor protective conditions in conjunction with acquisition and operation of rail lines by Class III rail carriers. Therefore, no such condition is to be imposed in conjunction with these notices of exemption from § 10902.

WHEREFORE, notice of these notices should be published in the Federal Register within 30 days of their filing.

Respectfully submitted,

RIO VALLEY RAILROAD, INC.
RIO VALLEY SWITCHING COMPANY
101 North 21st Street
McAllen, TX 78501

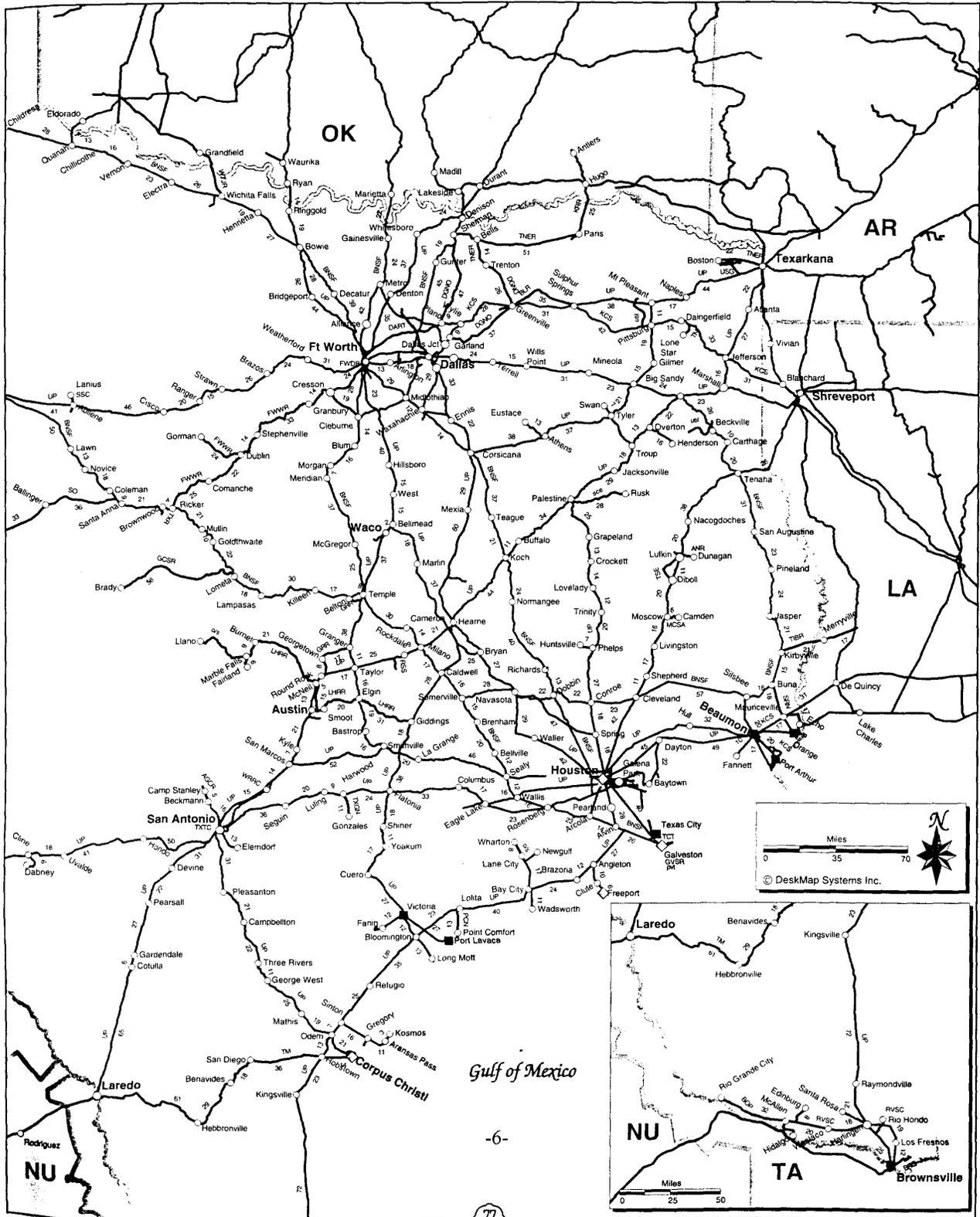
Applicants

Thomas F. McFarland

THOMAS F. McFARLAND
THOMAS F. McFARLAND, P.C.
208 South LaSalle Street, #1890
Chicago, IL 60604-1112
(312) 236-0204

Attorney for Applicants

Date Filed: October 26, 2004



VERIFICATION

STATE OF ILLINOIS)
) SS:
COUNTY OF COOK)

THOMAS F. McFARLAND, being duly sworn on oath, deposes and states that he has read the foregoing notices, that he knows the contents thereof, and that the facts therein stated are true and correct. Thomas F. McFarland certifies that the projected revenues as a result of the proposed lease and operation will not result in the creation of a Class II or Class I rail carrier.



Thomas F. McFarland
THOMAS F. McFARLAND

SUBSCRIBED and SWORN to
before me this 25th day of
October, 2004.

Kathleen Lenihan
Notary Public

My Commission Expires: 1/29/2006

CAPTION SUMMARY

SURFACE TRANSPORTATION BOARD

Notice of Exemption

STB Finance Docket No. 34604

*Rio Valley Railroad, Inc. -- Acquisition Exemption -- Rail
Lines of Union Pacific Railroad Company in Cameron County, TX*

STB Finance Docket No. 34605

*Rio Valley Switching Company -- Operation Exemption -- Rio
Valley Railroad, Inc.*

Rio Valley Railroad, Inc. (RVRI), a Class III rail carrier, has filed a notice of exemption for its acquisition by lease from Union Pacific Railroad Company (UP) and Rio Valley Switching Company (RVSC) has filed a notice of exemption for its operation pursuant to an operating agreement with RVRI of the following rail lines: (1) a portion of the Mission Industrial Lead from Milepost 0.06 at a point 50 feet measured at a right angle from UP's Brownsville Subdivision main track No. 104 at Harlingen, TX to Milepost 1.00 in Harlingen Yard at Harlingen, TX; (2) the Santa Rosa Industrial Lead from Milepost 0.00 in Harlingen Yard, Harlingen, TX to Milepost 11.38 near Rogers Lacy, TX; and (3) approximately 5 miles of track in Harlingen Yard at Harlingen, TX.

The above rail lines to be leased and operated total approximately 17.38 miles in Cameron County, TX.

Comments must be filed with the Board and served on the representative of RVRI and RVSC, Thomas F. McFarland, Thomas F. McFarland, P.C., 208 South LaSalle Street, Suite 1890, Chicago, IL 60604-1112, 312-236-0204.

The 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.

By the Board
Vernon A. Williams, Secretary