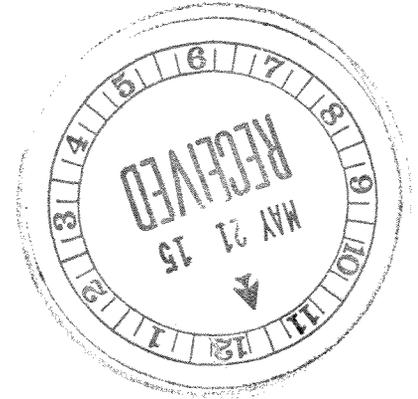


Karl Morell & Associates

655 15th Street, NW, Suite 225
Washington, DC 20005
(202) 595-9045
karlm@karlmorell.com



May 21, 2015

BY HAND DELIVERY

Cynthia Brown
Chief, Section of Administration
Surface Transportation Board
Office of Proceedings
395 E Street, SW
Washington, DC 20423

238465

ENTERED
Office of Proceedings
May 21, 2015
Part of
Public Record

Re: Finance Docket No. 35930, Texas New Mexico Railway, L.L.C. –
Acquisition Exemption – Austin & Northwestern Railroad Company, Inc.

Dear Ms. Brown:

Attached for filing are the original and ten copies of a Verified Notice of Exemption under 49 C.F.R. § 1150.31 and a check covering the \$1,800 filing fee. Also enclosed is a CD containing the Notice and Summary.

If you have any questions, please contact me.

Sincerely,

A handwritten signature in cursive script that reads 'Karl Morell'.

Karl Morell
Of Counsel

Enclosures

FEE RECEIVED
May 21, 2015
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TRANSPORTATION BOARD

FILED
May 21, 2015
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BEFORE THE
SURFACE TRANSPORTATION BOARD

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May 21, 2015
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FINANCE DOCKET NO. 35930

TEXAS NEW MEXICO RAILWAY, L.L.C.
--ACQUISITION EXEMPTION--
AUSTIN & NORTHWESTERN RAILROAD COMPANY, INC

VERIFIED NOTICE OF EXEMPTION
Pursuant to 49 C.F.R. § 1150.31, Et Seq.

KARL MORELL
KARL MORELL & ASSOCIATES
Suite 225
655 Fifteenth Street, N.W.
Washington, D.C. 20005
(202) 595-9045

Attorney for:
TEXAS NEW MEXICO RAILWAY, L.L.C.

Dated: May 21, 2015

FEE RECEIVED
May 21, 2015
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May 21, 2015
SURFACE
TRANSPORTATION BOARD

BEFORE THE
SURFACE TRANSPORTATION BOARD

FINANCE DOCKET NO. 35930

TEXAS NEW MEXICO RAILWAY, L.L.C.
--ACQUISITION EXEMPTION--
AUSTIN & NORTHWESTERN RAILROAD COMPANY, INC

VERIFIED NOTICE OF EXEMPTION
Pursuant to 49 C.F.R. § 1150.31, Et Seq.

Texas New Mexico Railway, L.L.C. ("TNMR"), a non-carrier, files this Notice of Exemption pursuant to 49 C.F.R. Part 1150, Subpart D--Exempt Transactions, to permit TNMR to acquire from Austin & Northwestern Railroad Company, Inc. ("ANR") a rail line located in Texas and New Mexico.

In support of this Notice of Exemption, TNMR submits the following information as required by 49 C.F.R. § 1150.33:

- (a) Full name and address of applicant:

Texas New Mexico Railway, L.L.C.
315 W. 3rd Street
Pittsburg, Kansas 66762

- (b) Applicant's Representative:

Karl Morell
Karl Morell & Associates
Suite 225
655 Fifteenth Street, N.W.
Washington, DC 20005
(202) 595-9045

(c) Statement of Agreement:

TNMR and ANR have entered into an Agreement.

(d) The operator of the property:

TNMR will be the operator of the acquired rail line.

(e) Summary of proposed transaction:

TNMR is a new, wholly owned, non-carrier subsidiary of Watco Holdings, Inc. (“Watco”). In this proposed transaction, TNMR seeks authority to acquire from ANR approximately 104.191 miles of rail line.

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

Austin & Northwestern Railroad Company, Inc.
118 South Clinton Street, Suite 400
Chicago, IL 60661

(2) The involved transaction is expected to be consummated on or some time after the effective date of this Notice of Exemption.

(3) TNMR will acquire and operate the rail line located between Milepost 0.079, at Monahans, Texas, and Milepost 104.27, at Lovington, New Mexico.

(4) The length of the rail line being acquired is approximately 104.191 miles.

(f) A map of the rail lines being acquired is attached as Exhibit A.

(g) TNMR hereby certifies that this transaction will not result in TNMR becoming a Class II or Class I rail carrier. Upon consummation of this transaction, TNMR will become a Class III carrier. The projected annual revenue of TNMR will exceed \$5 million. Consequently, TNMR has complied with the notice requirements of 49 C.F.R. § 1150.32(e). TNMR certified

its compliance with Section 1150.32(e) on May 19, 2015. A copy of the certification is attached as Exhibit B.

(h) The Agreement between TNMR and ANR does not contain any provision that prohibits TNMR from interchanging traffic with a third party or limits TNMR's ability to interchange with a third party.

A caption summary, as required by 49 C.F.R. § 1150.34, is attached.

ENVIRONMENTAL AND HISTORIC IMPACTS

TNMR is acquiring the rail line from ANR for continued rail operations. Further Board approval is required for TNMR to 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).

TNMR's acquisition of the rail line 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 these lines 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 lines; (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. TNMR's acquisition and operation of the rail 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,

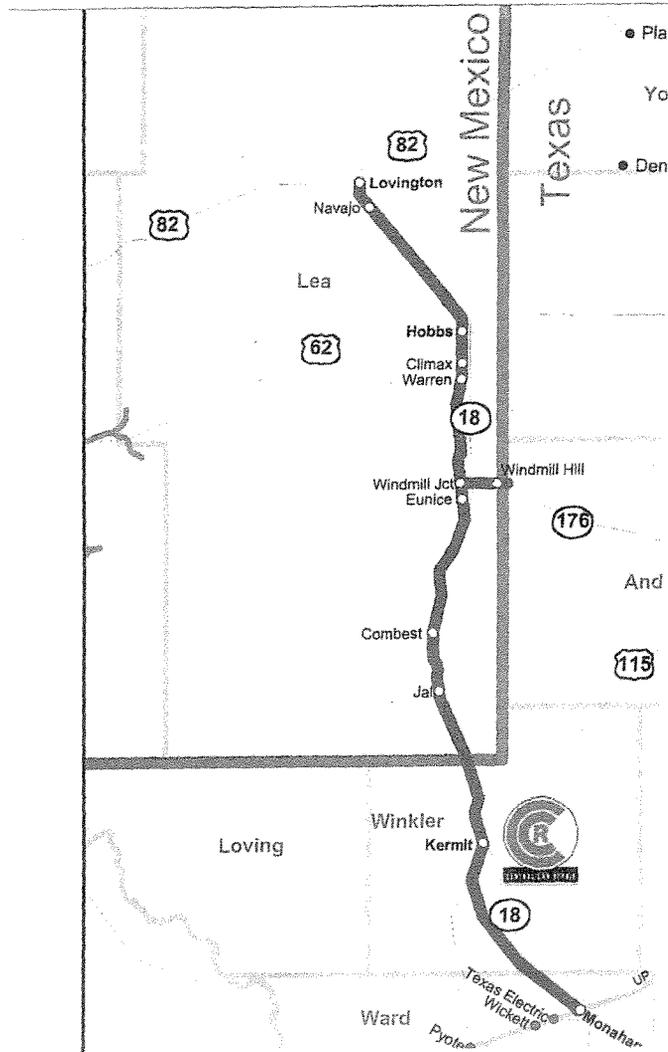
A handwritten signature in cursive script that reads "Karl Morell". The signature is written in black ink and is positioned above a horizontal line.

KARL MORELL
KARL MORELL & ASSOCIATES
Suite 225
655 Fifteenth Street, N.W.
Washington, DC 20005
(202) 595-9045

Attorney for:
TEXAS NEW MEXICO RAILWAY, L.L.C.

Dated: May 21, 2015

EXHIBIT A



Karl Morell & Associates
655 15th Street, NW, Suite 225
Washington, DC 20005
(202) 595-9045
karlm@karlmorell.com

238415

ENTERED
Office of Proceedings
May 19, 2015
Part of
Public Record

May 19, 2015

EXHIBIT B

E-FILE

Cynthia Brown
Chief, Section of Administration
Surface Transportation Board
Office of Proceedings
395 E Street, SW
Washington, DC 20423

Re: Finance Docket No. 35930, Texas New Mexico Railway, L.L.C.
-- Acquisition Exemption - Austin & Northwestern Railroad
Company, Inc.

Dear Ms. Brown:

Texas New Mexico Railway, L.L.C. ("TNMR"), hereby certifies that on May 18, 2015, TNMR had posted the attached Notice at 109 East Texas Ave., Eunice, NM, 88231 and 103 S 464 Truck Loop Byp, Monahans, TX 79756, the workplaces of the employees of Austin & Northwestern Railroad Company ("ANR) working on the rail line being acquired by TNMR. There are no union employees at ANR.

If you have any questions regarding this matter, please contact me.

Sincerely,



Karl Morell
Of Counsel

Enclosure

NOTICE

Texas New Mexico Railway, L.L.C. ("TNMR") will acquire certain Tracks owned by Austin & Northwestern Railroad Company, Inc., a Texas corporation, including sidings and yard tracks. These Tracks are located between Milepost 0.079 at Monahans, TX and Milepost 104.27 at Lovington, NM.

Total Track Miles of 104.191 Miles.

As a result of operating the freight portion of the rail line, TNMR expects to have employment opportunities in the following areas:

Freight Operation:

Approximately 41 positions in Monahans, TX, Eunice, NM, and or Hobbs, NM. These positions require the following minimum skills and/or qualifications:

General Manager:

1 Position located in Monahans, TX or Eunice, NM. This position requires the following minimum skills and/or qualifications:

- Prefer College degree in Management.
- Must have at least 5 - 10 years of railroading experience in a supervisory and/or managerial role.
- Ability to enhance and/or develop, implement and enforce policies and procedures of the organization by way of systems that will improve the overall operation and effectiveness of the corporation.
- Plan, develop, organize, implement, direct and evaluate the organization's fiscal function and performance.
- Ensure sound operating procedures according to FRA and Corporate Safety rules.
- A decisive individual who possesses a "big picture" perspective and is well versed in operational standards.
- Must ensure that emphasis is placed on a strong Customer Focus.

Train Masters:

Approximately 2 position located in Monahans, TX or Eunice, NM. These positions require the following minimum skills and/or qualifications:

- Supervises and coordinates activities of train crews engaged in switching/RR operations.
- Must possess a high school education or GED, and a minimum of 6 months job-related experience; or equivalent combination of education and experience.
- Must possess a valid Engineer's certificate issued by a program in compliance with 49 CFR Part 240.
- Must be able to meet all hearing and vision requirements of 49 CFR Part 240.
- Must have an understanding of air brake and mechanical systems of a train and locomotives, and pass a written test to verify competency.

Conductor:

Approximately 10 positions in Monahans, TX and Eunice, NM. These positions require the following minimum skills and/or qualifications:

- At least 1 year experience as a Conductor/Brakeman.
- Must have Qualifications on the General Code of Operating Rules (GCOR) and have passed a written test in the past 18 months.
- Must have an understanding of air brake and mechanical systems of a train and locomotives, and pass a written test to verify competency.

Engineer:

Approximately 13 positions in Monahans, TX and Eunice, NM. These positions require the following minimum skills and/or qualifications:

- At least 1 year experience as a Locomotive Engineer.
- Must possess a valid Engineer's certificate issued by a program in compliance with 49 CFR Part 240.
- Must be able to meet all hearing and vision requirements of 49 CFR Part 240.
- Must have an understanding of air brake and mechanical systems of a train and locomotives, and pass a written test to verify competency.

Clerks:

Approximately 1 position located in Monahans, TX or Eunice, NM. These positions require the following minimum skills and/or qualifications:

- Involved in day to day record keeping, billing, filing, and typing and general office duties.
- Must possess a high school education or GED, and a minimum of 6 months job-related experience; or equivalent combination of education and experience.
- This position will be accountable to all managers within the operation and is responsible for office coordination of activities.
- Other duties as assigned.

Chief Mechanical Officer:

1 position located in Eunice, NM. This position requires the following minimum skills and/or qualifications:

- Directly supervise shop craft employees to safely execute shop operating plan.
- Ensure labor and equipment is positioned to inspect, test and repair equipment to meet the needs of the daily plan.
- Must have previous mechanical department or equivalent industry experience.
- Must possess a high school education or GED, and a minimum of 12 months job-related experience; or equivalent combination of education and experience.
- Comply with all FRA and Watco safety standards.

- Other duties as assigned.

Locomotive Electrical:

Approximately 1 position located in Eunice, NM. These positions require the following minimum skills and/or qualifications:

- Make repairs and perform scheduled maintenance to both inbound and outbound locomotives.
- Must have knowledge of and comply with FRA standards.
- Must possess a high school education or GED, and a minimum of 12 months job-related experience; or equivalent combination of education and experience.
- Prefer background in technical training in Electrical maintenance/repair.
- Demonstrated knowledge and ability in using required hand and power tools.

Locomotive Mechanical:

Approximately 1 position located in Eunice, NM. These positions require the following minimum skills and/or qualifications:

- Make repairs and perform scheduled maintenance to both inbound and outbound locomotives.
- Must have knowledge of and comply with FRA standards.
- Must possess a high school education or GED, and a minimum of 12 months job-related experience; or equivalent combination of education and experience.
- Prefer background in technical training in Diesel maintenance/repair.
- Demonstrated knowledge and ability in using required hand and power tools.

Roadmaster:

1 position located in Monahans, TX or Eunice, NM. This position requires the following minimum skills and/or qualifications:

- Supervises all track, structure and signal maintenance on railroad.
- Plan and implement maintenance programs and capital projects.
- Instructs work force on safety compliance and mandated programs.
- Must possess 5 years experience in Railroad Track Maintenance.

Track Inspector:

1 position located in Monahans, TX and Eunice, NM. This position requires the following minimum skills and/or qualifications:

- Responsible for supervision of rail car inspection and maintenance in accordance with FRA standards.
- Inspect railroad track structure for compliance with railroad policy and federal/state regulations.
- Implement remedial action on defects pending repair.
- Oversee/direct production gang work.
- Inspect completed work to verify conformance to government regulations.
- Prepare inspection reports for management and government compliance.
- Must possess 3 years supervisory experience in Railroad Track Maintenance.

MoW laborer:

Approximately 7 positions as follows: Monahans, TX or Eunice, NM. These positions require the following minimum skills and/or qualifications:

- Perform tasks associated with track work including but not limited to, pulling and driving spikes, replacing ties, surfacing track, changing rail, bars, and other track apparatus.
- Must be willing to learn and apply FRA rules and regulations and be able to perform maintenance in a timely manner.
- Must be willing to learn to operate in a safe and efficient manner, all equipment and tools associated with track maintenance.
- Must possess a high school education or GED, and a minimum of 12 months job-related experience; or equivalent combination of education and experience.

MoW Foreman:

Approximately 1 position as follows: Monahans, TX or Eunice, NM. These positions require the following minimum skills and/or qualifications:

- Perform tasks associated with track work including but not limited to, pulling and driving spikes, replacing ties, surfacing track, changing rail, bars, and other track apparatus.
- Must be willing to learn and apply FRA rules and regulations and be able to perform maintenance in a timely manner.
- Must be willing to learn to operate in a safe and efficient manner all equipment and tools associated with track maintenance.
- Must possess a high school education or GED, and a minimum of 12 months job-related experience; or equivalent combination of education and experience.

Carmen:

Approximately 1 position as follows: Monahans, TX or Eunice, NM. These positions require the following minimum skills and/or qualifications:

- Maintain, replace and/or repair air brake pipes, valves, gaskets, air hoses and other equipment as required.
- Inspect outlet gates on hopper cars and air dumps for defects and ensures they are properly secured.
- Operate electrical and gas welding equipment to join a variety of metals and alloys; operate acetylene torches for cutting and/or shaping metal parts such as aluminum, cast iron, steel, bronze, etc. Operate specialized off-highway motor vehicles including forklift trucks, mobile cranes, trackmobiles, and ship tractors.
- Familiar with AAR office manual, ability to identify AAR/FRA when present on railcars.
- Must possess a high school education or GED, and a minimum of 12 months job-related experience; or equivalent combination of education and experience.

The most qualified candidates will be selected from the available pool of applicants without regard to race, creed, color, religion, national origin, sex, age, marital status, disability or veteran status. The selection criteria will be job-related skills and attributes as outlined above.

Successful candidates must have a stable work record and exhibit safe work practices. The ability to work in a team environment with a focus on customer service is critical. Applicants

must be able to read and comprehend regulations and instructions in English, as well as possess good oral communication skills. Successful applicants will be required to pass a pre-employment drug and alcohol screen and complete a medical questionnaire. Every employee is an at-will employee. All employees are expected to know and abide by the standard code of Employee Conduct.

All jobs will be posted at www.watcocompanies.com or information can be obtained by calling Human Resource department at (866) 479-2826.

Texas New Mexico Railway, L.L.C.
315 W. 3rd Street
Pittsburg, Kansas 66762

SURFACE TRANSPORTATION BOARD

NOTICE OF EXEMPTION

FINANCE DOCKET NO. 35930

TEXAS NEW MEXICO RAILWAY, L.L.C.
--ACQUISITION EXEMPTION--
AUSTIN & NORTHWESTERN RAILROAD COMPANY, INC.

Texas New Mexico Railway, L.L.C. ("TNMR"), a non-carrier, has filed a notice of exemption to acquire from Austin & Northwestern Railroad Company, Inc. ("ANR"), the rail line located between Milepost 0.079, at Monahans, Texas, and Milepost 104.27, at Lovington, New Mexico

This transaction is related to Finance Docket No. 35931, Watco Holdings, Inc. -- Continuance In Control Exemption – Texas New Mexico Railway, L.L.C., wherein Watco Holdings, Inc., has concurrently filed a verified notice to continue in control of TNMR upon TNMR becoming a Class III carrier.

Comments must be filed with the Board and served on Karl Morell, Karl Morell & Associates, Suite 225, 655 Fifteenth Street, N.W., Washington, DC 20005, (202) 595-9045, and John Heffner, Strasburger & Price, LLP, 1025 Connecticut Avenue, N.W., Suite 717, Washington, D.C. 20036, (202) 742-8607, counsel for ANR.

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.

10502(d) may be filed at any time. 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 Texas New Mexico Railway, 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.

ae mckechnie III
Arthur E. McKechnie, III

SUBSCRIBED AND SWORN TO before me this 20 day of May, 2015, in the County of Crawford, State of Kansas.

My Commission Expires: 5-19-2017

Cindy L. Davied
Notary Public

