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Case No. 10-00000003

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Part of
Public Record

June 20, 2011

Ms. Cynthia L. Brown
Chief, Section of Administration
Office of Proceedings
Surface Transportation Board
395 F Street, S.W. -- Suite 1260
Washington, D.C. 20423-0001

230140

RE: STB Docket No. AB-1081X, San Pedro
Railroad Operating Company, LLC - Abandonment
Exemption-In Cochise County, AZ.

Dear Ms. Brown:

On behalf of San Pedro Railroad Operating Company (SPROC), I am writing in connection with the above-captioned abandonment proceeding.

On July 26, 2006, the Board served a decision permitting the abandonment exemption granted on February 3, 2006, to become effective subject to certain conditions. By letter dated January 29, 2007, SPROC advised the Board that it had consummated this abandonment between (1) milepost 1084.0 and milepost 1097.3 at Paul Spur, (2) milepost 1097.3 at Paul Spur and milepost 1106.5 near Douglas, and (3) milepost 1085.0 at Bisbee Jet., and milepost 1090.6 at Bisbee, all in the State of Arizona. However, on May 11, 2007, SPROC asked the Board for permission to postpone until July 26, 2008, the deadline for consummating the abandonment of the remaining portion of the line covered by the above-captioned exemption. The Board duly granted that request.

Hereafter, SPROC repeatedly sought and received Board permission to postpone the date for consummation because it and the owner of a portion of the underlying right-of-way, the Union Pacific Railroad Company (UP), are evaluating the strategic use of this rail corridor and wish to preserve their options for protecting the integrity of the corridor. SPROC still believes that the Line has potential as a restored international rail corridor. The current date for consummation expires on July 26, 2011, absent a Board decision extending that deadline for an additional year.

UP has advised SPROC of its interest in reacquiring the subject right of way subject to the execution of a Purchase and Sale Agreement. Accordingly, SPROC seeks Board permission to postpone for another year until July 26, 2012, the deadline for consummating abandonment of the line that has been the subject of these previous consummation extension requests, in order to facilitate that acquisition. The segment of track for which this extension is sought runs from milepost 1040.15 near Curtiss to milepost 1084.0 near Bisbee Jet.

Please contact me if you have any questions regarding this request.

Sincerely yours,



John D. Heffner

cc: All Parties
Mr. David Parkinson
Mack Shumate, Esq. (by email)
Tony K. Love (UPRR)