

April 27, 1917.

M. Seargeant, Esq.,  
Supt., Eastern Kentucky Division,  
Ravenna, Kentucky.

Dear Sir:

Replying to yours of the 26th instant (MS-2857), with enclosures, (all of which are herewith returned) it appears from the papers submitted to me that there have been four several contracts between the L&E (succeeded by the L&N) and the Eureka Lumber Company. *Two* of these contracts bear the same date, viz:- March/5, 1915. Of the two contracts of said date, one appears to be a contract for the construction and maintenance by the Eureka Lumber Company on the railroad right of way of a narrow-gauge road at or near Chavies Station in Perry County, Kentucky, between Mile Post 118 and Mile Post 120, and said contract contains the following provision -

"5. That whenever demanded by said Railway Company giving thirty days' notice in writing the said narrow-gauge railroad shall be removed and the right of way or lands vacated and left in the same condition as when taken possession of by said Eureka Lumber Company."

As I understand it, it is not now contemplated to remove this narrow-gauge railroad but to continue the use of it. This being so, it seems to me the Company would have to obtain from the Eureka Lumber Company or from the Receiver of said Company, under authority of an order of court, the right to release to the Company the use of the road or to transfer such use to the Coneva Coal Corporation, or some other assignee. The mere willingness of Mr. Walker, the Receiver, to make such a release or transfer is, in my opinion, not sufficient without an order of court directing or approving his action in the matter,