COVER

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

(Mark One)

[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 (FEE REQUIRED)
For the fiscal year ended December 31, 1993

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 (NO FEE REQUIRED)
For the transition period from _________ to _________

Commission file number 1-6075

UNION PACIFIC CORPORATION
(Exact name of registrant as specified in its charter)

Utah	13-2626465
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
Martin Tower, Eighth and Eaton Avenues Bethlehem, Pennsylvania (Address of principal executive offices)	18018 (Zip Code)

Registrant's telephone number, including area code (610) 861-3200

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Stock (Par Value $2.50 per share)	New York Stock Exchange, Inc.
4 3/4% Convertible Debentures Due 1999	New York Stock Exchange, Inc.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months, and (2) has been subject to such filing requirements for the past 90 days. Yes [X] No [ ]

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [X].

As of March 3, 1994, the aggregate market value of the registrant's Common Stock held by non-affiliates (using the New York Stock Exchange closing price) was approximately $12,213,500,846.

The number of shares outstanding of the registrant's Common Stock as of March 3, 1994 was 205,086,336.

Portions of the following documents are incorporated by reference into this Report: (1) registrant's Annual Report to Stockholders for the year ended December 31, 1993 (Parts I and II); and (2) registrant's definitive Proxy Statement for the annual meeting of stockholders to be held on May 11, 1994 (Part III).

PART I

Item 1. Business
and
Item 2. Properties

Union Pacific Corporation, incorporated in Utah in 1969, operates, through subsidiaries, in the areas of rail transportation (Union Pacific Railroad Company and Missouri Pacific Railroad Company), oil, gas and mining (Union Pacific Resources Company), trucking (Overnite Transportation Company) and waste management (USPCI, Inc.). Each of these subsidiaries is indirectly wholly-owned by Union Pacific Corporation.

Except as the context otherwise requires, the terms "Union Pacific" or the "Corporation" mean Union Pacific Corporation and its subsidiaries, and the terms "Union Pacific Railroad" or the "Railroad" mean Union Pacific Railroad Company ("UPRR") and Missouri Pacific Railroad Company ("MPRR") and their respective subsidiaries.

A brief description of Union Pacific's principal businesses follows. Additional information about these businesses and other financial information for Union Pacific is presented on pages 14 through 22 and 41 through 44 of the 1993 Annual Report to Stockholders ("Annual Report") and such information (excluding photographs set forth on pages 14 through 22, which do not supplement the text and are not otherwise required to be disclosed herein) is incorporated herein by reference. Information on business segments on page 30 and a map of Union Pacific's operations on the inside back cover of the Annual Report are also incorporated herein by reference.

Recent Developments

In May 1993, the Corporation completed the acquisition of Skyway Freight Systems, Inc. ("Skyway"). Skyway is a transportation logistics company primarily engaged in arranging time-definite transportation by motor, rail or air carriers, and in providing transportation information services.

In early 1994, in response to depressed market conditions caused by regulatory uncertainty in the waste management industry, the ongoing delay of remediation activities, and the recent restructurings by several major industry participants, the Corporation began a re-evaluation of USPCI, Inc. ("USPCI"), including its business environment and prospects.

The Corporation has sold its investment in the Wilmington, California, oil field and related facilities to the Port of Long Beach, California, for $405 million. The sale resulted in an after-tax gain of over $100 million, and reduced proved reserves by approximately 13 million barrels of oil equivalent ("MMBOE"). The transaction will not significantly affect the Corporation's future operating results.

Union Pacific Resources Company ("Resources") has entered into an agreement to acquire Amax Oil & Gas Inc. ("Amax"), a subsidiary of Cyprus Amax Minerals Company, for a net purchase price $725 million. Resources will purchase all of the outstanding shares of Amax for $819 million in cash. Immediately upon closing, certain of Amax's assets will be sold to Universal Resources Corporation for $94.5 million. The operations to be retained primarily consist of natural gas producing, transportation and processing properties in Texas, Louisiana and Arkansas. These properties include interests in 14 major fields, encompassing 600,000 acres and approximately 2,000 producing wells. Resources will add approximately 550 billion cubic feet of gas equivalent (92 MMBOE) of proved reserves as a result of the acquisition.

Rail Transportation

Union Pacific Railroad is the third largest railroad in the United States, with nearly 18,000 route miles linking Pacific Coast and Gulf Coast ports with the Midwest. The Railroad maintains coordinated schedules with other carriers for the handling of freight to and from the Atlantic seaboard, the Pacific Coast, the Southeast, the Southwest, Canada and Mexico. Export and import traffic is moved through Gulf Coast and Pacific Coast ports, and across the Texas-Mexico and (primarily through interline connections) Canadian borders. Major categories of freight hauled by the Railroad are automotive, chemicals, energy (coal), food/consumer/government, grains and grain products, intermodal, and metals/minerals/forest. In 1993, energy was the largest commodity in terms of percentage of revenue ton-miles (34.3%), while chemicals traffic produced the highest percentage of freight revenue (20.9%). Percentages of revenue ton-miles and freight revenue for other commodities are presented on page 41 of the Annual Report.

A separate Annual Report on Form 10-K for the year ended December 31, 1993, is filed by MPRR. Reference is made to such report for additional information concerning that company.

Oil, Gas and Mining

Resources an independent oil and gas company engaged in the exploration for and production of natural gas, crude oil and associated products. Excluding the Amax acquisition described above, substantially all of Resources' exploration and production programs are in the Austin Chalk trend and the Carthage area in eastern Texas and Louisiana; the Union Pacific Land Grant in Colorado, Wyoming and Utah; the Gulf of Mexico; and Canada.

Resources is also responsible for Union Pacific's interests in trona and coal development through the management of Union Pacific Minerals, Inc., an affiliated corporation. Trona activities consist of royalties from mining on Union Pacific Land Grant acreage and equity and partnership interests which equate to a 49 percent interest in Rhone Poulenc of Wyoming, which mines trona and processes it into soda ash. Coal activities consist principally of royalties from third party mines and a 50 percent ownership interest in Black Butte Coal Company, a joint venture mine operated by the joint venture partner. Effective January 1, 1993, Black Butte entered into a revised coal supply arrangement with its largest customer. Under this agreement, in exchange for annual settlement payments to be received for a nine-year period, the coal previously mined at Black Butte will be obtained from unaffiliated mines in Wyoming's Powder River Basin. Black Butte's earnings have not been adversely affected by the revised agreement.

The estimated quantities of proved oil and gas reserves set forth under Oil and Gas - Proved Reserves on pages 42 and 43 of the Annual Report have been prepared by petroleum reservoir engineers who are employees of Resources. In 1993, Union Pacific filed certain reports with the Department of Energy's Energy Information Administration containing oil and gas reserve information for the year ended December 31, 1992. The information reported differed from that contained in the Annual Report by less than 5 percent.

Trucking

Overnite Transportation Company ("Overnite"), a major interstate trucking company, serves all 50 states and portions of Canada through 166 service centers (located primarily in the eastern, southeastern and central United States and on the West Coast) and through agency partnerships with several small, high-quality carriers serving areas not directly covered by Overnite. As one of the largest trucking companies in the United States, Overnite specializes in less-than-truckload shipments and transports a variety of products, including machinery, tobacco, textiles, plastics, electronics and paper products.

The Railroad also has a trucking subsidiary which principally serves rail movements. This motor carrier subsidiary has authority from the Interstate Commerce Commission ("ICC") to operate between all points in the continental United States and also has nationwide authority to provide contract services for Union Pacific's motor carrier broker, Union Pacific Freight Services Company.

USPCI provides trucking services for certain customers of its disposal, treatment and recovery services.

Waste Management

USPCI provides comprehensive waste management services (analysis, treatment, recovery, recycling, disposal, remediation and transportation) to industry and government. USPCI operates the following commercial landfills that accept industrial and hazardous waste: (a) Grassy Mountain facility, a RCRA (hereinafter defined) regulated facility located in Utah, (b) Lone Mountain facility, a RCRA regulated facility located in Oklahoma, and (c) Grayback Mountain facility, a TSCA (hereinafter defined) regulated facility permitted for polychlorinated biphenyls ("PCB") disposal located adjacent to the Grassy Mountain facility. In addition, USPCI operates industrial waste facilities in Sawyer, North Dakota and Rosemount, Minnesota, and has a 60 percent ownership interest in ECDC Environmental, L.C. ("ECDC"), which operates an industrial and municipal waste disposal site in Carbon County, Utah. USPCI holds an option, effective June 1, 1994, to acquire the remaining interest in ECDC.

USPCI's hazardous waste incinerator in Clive, Utah, is scheduled for start-up in late 1994. The 130,000-ton-per-year facility will handle both solid and liquid waste, serving customers throughout the United States.

USPCI operates facilities in California, Kansas, Oklahoma and Texas using distillation systems to redistill, filter and separate hydrocarbons, process used oil, clean solvents, and treat oils and coolants, and also performs other services to recover petroleum products and solvents. In addition, USPCI operates facilities in Georgia, Pennsylvania, Kansas, Utah and Canada that analyze, reclaim, recover and treat PCBs. This treatment involves the chemical destruction of PCBs in PCB-contaminated liquids and PCB-contaminated oil in transformers.

USPCI operates a subsidiary in Georgia that processes combustion by-products for sale, including coal ash, and also operates a stand-alone laboratory in Oklahoma that provides a wide range of services, including hazardous waste evaluation and water monitoring.

USPCI also provides a full range of on-site waste management and remediation services, including the control and cleanup of spills and contamination at improper disposal sites.

Competition

In its rail transportation business, Union Pacific is subject to competition from other railroads, motor carriers and barge operators. Most of its railroad operations are conducted in corridors served by competing railroads and by motor carriers. Motor carrier competition has been strengthened by longer combination vehicles which are allowed in a number of states in which the Railroad operates. Because of the proximity of MPRR's routes to major inland and Gulf Coast waterways and of a UPRR route to the Columbia River, seasonal barge competition can be particularly pronounced in certain markets.

Resources competes for oil and gas reserves and technology advances with smaller companies as well as with the larger integrated oil companies. Mining operations also are subject to competition from a number of companies, many of which have larger operations.

Overnite provides the majority of Union Pacific's trucking operations, specializing in the less-than-truckload business. Other motor carriers, both regional and national, provide intense competition based on service and price.

USPCI competes with numerous hazardous, municipal and industrial waste commercial landfills currently operating in the United States. There are several operating landfill sites in the southern and western United States with which USPCI competes directly. USPCI also competes with companies that dispose of PCBs through incineration and landfills, as well as other companies that provide chemical destruction services or other waste management services. USPCI's competitors include major national and regional environmental service firms.

USPCI's Clive incinerator will compete with hazardous waste incinerators operating throughout the United States, as well as cement kilns and waste generators' on-site incineration facilities.

Skyway competes with integrated logistics providers and freight expediters, many with larger operations. Competition focuses on service and on-time performance.

Employees

During 1993, Union Pacific had an average of 47,000 employees, of whom approximately 52 percent belonged to various labor organizations.

As is true with employees of all the principal railroads in the country, most of the 29,000 employees of Union Pacific Railroad are organized along craft lines and represented by national labor unions. The Railroad continues to adapt agreements from the previous round of national negotiations to meet local requirements throughout its system. The Railroad has negotiated the ability to operate all through-freight trains with two-person crews, and is currently modifying operations to take full advantage of this ability.

On December 31, 1994, all outstanding labor contracts will reopen for negotiation. Discussions concerning the Railroad's notices for contract revisions will begin in October. The negotiations will likely continue through 1995 and management is optimistic that they will be completed in an expeditious manner.

Governmental Regulation

Union Pacific's operations are subject to a variety of Federal, state and local regulations. A description of the more significant regulations follows.

Union Pacific Railroad's operations are subject to the regulatory jurisdiction of the ICC, other Federal agencies and various state agencies. The ICC has jurisdiction over rates charged on certain regulated traffic, freight car compensation, issuance or guarantee of railroad and certain railroad holding company securities, extension or abandonment of rail lines, and acquisition of control of rail common carriers and motor carriers by rail common carriers. Other Federal agencies have jurisdiction over safety, movement of hazardoUs materials, movement and disposal of hazardous waste, and equipment standards. The state agencies regulate intrastate freight rates to the extent that they have adopted Federal standards and procedures and continue to follow such procedures. However, several states in which railroad operations are conducted have ceded intrastate rail rate regulation to the ICC. Various state and local agencies also have jurisdiction over disposal of hazardous wastes and seek to regulate movement of hazardous materials.

Most of Resources' crude oil, field condensate and natural gas is in jurisdictions in which production is regulated under applicable conservation laws. Exploration and production activities are also subject to regulations respecting safety. The transportation of Resources' natural gas is affected by the provisions of the Natural Gas Act and the Natural Gas Policy Act. These acts, administered by the Federal Energy Regulatory Commission ("FERC"), regulate the interstate transportation of gas, including rates and the terms and conditions for service. FERC also governs the tariffs for common carrier liquid pipelines. The Department of the Interior regulates the leasing of Federal lands and the exploration for and production of oil and gas on and from such lands. The transmission by pipeline of liquid petroleum, petroleum products and natural gas is subject to Federal and state pipeline safety laws.

Resources' mining operations are subject to a variety of Federal and state regulations respecting safety, land use and reclamation. In addition, the Department of the Interior regulates the leasing of Federal lands for coal development as provided in the Mineral Lands Leasing Act of 1920. Section 2(c) of the Mineral Lands Leasing Act of 1920 prohibits a company operating a railroad from holding a Federal coal lease. In late 1982 the Department of the Interior decided that the Section prohibits new leasing to affiliates of railroads, such as Resources. The Department of Justice and the Department of the Interior have both concluded that under current conditions Section 2(c) is an impediment to competition and that it should be repealed. In January 1993, a Regional Solicitor of the Department of the Interior opined that Section 2(c) does not prohibit Resources' Black Butte joint venture coal company mine from holding Federal coal leases.

Environmental Regulation

USPCI's business is highly regulated by the Environmental Protection Agency ("EPA"), the Department of Transportation and various state environmental and transportation regulatory authorities. In addition, other subsidiaries of Union Pacific as well as USPCI are subject to various environmental statutes and regulations, including the Resource Conservation and Recovery Act ("RCRA"), the Toxic Substances Control Act ("TSCA"), the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA") and the Clean Air Act ("CAA").

RCRA applies to hazardous waste generators and transporters, as well as persons engaged in treatment and disposal of hazardous waste, and specifies standards for storage areas, treatment units and land disposal units. All generators of hazardous waste are required to label shipments in accordance with detailed regulations and to prepare a detailed manifest identifying the material and stating its destination before waste can be released for offsite transport. The transporter must deliver the hazardous waste in accordance with the manifest and only to a treatment, storage or disposal facility qualified for RCRA interim status or having a final RCRA permit.

The EPA's regulations under RCRA have established a comprehensive system for the management of hazardous waste. These regulations identify a wide range of industrial by-products and residues as hazardous waste, and specify requirements for "cradle-to-grave" management of such waste from the time of generation through the time of disposal and beyond. States that have adopted hazardous waste management programs with standards at least as stringent as those promulgated by the EPA may be authorized by the EPA to administer all or part of RCRA on behalf of the EPA. The States of Oklahoma and Utah, where USPCI conducts its principal hazardous waste operations, have been so authorized, and Oklahoma and Utah oversee virtually all aspects of USPCI's operations in those states. Permits are required to construct and operate hazardous waste management units. Final RCRA permits for the Lone Mountain and Grassy Mountain facilities have been issued.

USPCI is subject to the EPA's regulations under TSCA, which established a comprehensive program for the regulation of hazardous chemicals in the United States and the distribution and use of PCBs in particular. The EPA's final regulations on notification and manifesting of PCB activities essentially establish a "cradle-to-grave" tracking and management system for PCBs similar to that required under RCRA. PPM, Inc. of Georgia ("PPM"), a wholly-owned subsidiary of USPCI, had a national permit to destroy PCBs in certain fluids which was effective until August 1988. An indefinite extension of this permit has been granted by EPA national headquarters until it acts on PPM's application for a revised permit. USPCI's permit to dispose of PCB solids at Grayback Mountain in Utah was issued in November 1985 for an indefinite period. Subsequent permits have been issued, the latest in September 1992, for additional disposal capacity at the Grayback Mountain facility.

The EPA has, and to the extent they administer the RCRA program, Oklahoma and Utah have, the authority at any time to modify or withdraw the existing requirements or to impose new requirements for permits.

CERCLA was designed to establish a strategy for cleaning up facilities at which hazardous waste or other hazardous substances have created actual or potential environmental hazards. The EPA has designated certain facilities as requiring cleanup or further assessment. Among other things, CERCLA authorizes the Federal government either to clean up such facilities itself or to order persons responsible for the situation to do so. The act creates an $8.5 billion fund to be used by the Federal government to pay for such cleanup efforts.

CERCLA imposes strict liability on the owners and operators of facilities in which hazardous waste and other hazardous substances are deposited or from which they are released or are likely to be released into the environment, the generators of such waste, and the transporters of the waste who select the disposal or treatment sites. Liability may include cleanup costs incurred by third persons and damage to publicly owned natural resources. USPCI and other Union Pacific subsidiaries are subject to potential liability under CERCLA as owners and operators of hazardous waste treatment and disposal facilities, as generators of hazardous waste and as transporters. Some states have enacted, and other states are considering enacting, legislation similar to CERCLA. Certain provisions of these acts are more stringent than CERCLA. States which have passed such legislation are currently active in designating more facilities as requiring cleanup and further assessment. CERCLA is subject to reauthorization in 1994 and may be substantially modified as part of that reauthorization.

The operations of Union Pacific's subsidiaries are subject to the requirements of the CAA. The 1990 amendments to the CAA include a provision under Title V that requires certain facilities to obtain operating permits. EPA regulations require all states to develop Federally approvable permit programs. State permit programs were required to be submitted for approval by November 1993. The EPA must act to approve or disapprove these programs by November 1994, and affected facilities must submit air operating permit applications to the respective states within one year of the EPA's approval of the state programs. Certain Union Pacific facilities, such as gas processing plants and other facilities at Resources, may be required to obtain such permits.

The operations of Union Pacific's subsidiaries are also subject to other laws protecting the environment, including permit requirements for wastewater discharges pursuant to the National Pollutant Discharge Elimination System and stormwater regulations under the Federal Water Pollution Control Act.

Item 3. Legal Proceedings

MKT Registered Certificates

On June 7, 1991, Timothy O. Stuy, purporting to represent a class of all certificateholders, filed an action in the United States District Court for the District of Delaware (Civil Action No. 91-322) against MPRR with respect to the Certificates Representing a Charge on Income, dated January 1, 1958 (the "Certificates"), which had been issued by The Missouri-Kansas-Texas Railroad Company ("MKT"). MPRR acquired MKT in 1988 and assumed MKT's obligations with respect to the Certificates at that time. The lawsuit asserted, among other things, that certain contingent sinking fund payments were not made as a result of allegedly improper modifications to the terms of the Certificates and other actions by the defendant, and sought an unspecified amount of damages and injunctive relief. The Certificate modifications were approved by the ICC in connection with the MKT acquisition. The lawsuit was stayed pending resolution of a lawsuit previously filed in the Delaware District Court that raised similar issues with respect to the MKT's 5 1/2% Subordinated Income Debentures due January 1, 2033 (the "Debentures"). In response to motions filed by MPRR and other defendants, the Debenture lawsuit was dismissed by the District Court for lack of subject matter jurisdiction. On November 17, 1993, MPRR filed a motion to dismiss the Certificate lawsuit on similar grounds. On February 16, 1994, a Stipulation and Order of Dismissal was entered by the District Court dismissing the Certificate lawsuit with prejudice to the named plaintiff.

Environmental
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In 1983, UPRR and the EPA entered into two consent orders under CERCLA and RCRA, respectively, relating to groundwater pollution resulting from the wastewater treatment system at UPRR's tie treating facility in Laramie, Wyoming which was closed in 1983. UPRR and the State of Wyoming entered into an agreement suspending litigation brought by the State alleging violation of state environmental laws with respect to the site. Pursuant to the consent orders and the agreement, UPRR financed a remedial investigation and feasibility study for the site and constructed a containment isolation system. In January 1988, the EPA and UPRR entered into a new RCRA consent order regarding the oil recovery and on-site treatment testing program which UPRR was conducting at the site. More recently, UPRR completed a Corrective Measures Study which recommends a final remedy for the site. UPRR expects the EPA to approve this study provided that its remedial effect is subject to re-evaluation after 5 years. UPRR has paid $253,317 for oversight costs incurred by the EPA prior to September 30, 1986 and $237,996 for costs incurred between September 30, 1986 and November 30, 1991. EPA oversight costs incurred after that date are being paid on an annual basis. The EPA is authorized under CERCLA to receive reimbursement for such costs.

The Southern California Air Quality Management District ("AQMD") has served several Notices of Violation on UPRR for excessive emissions of smoke from locomotives operating in the Cajon Pass area north of San Bernardino, California. UPRR's mechanical and environmental personnel have been meeting with the locomotive manufacturer and reviewing UPRR operating practices to determine how to reduce smoke emissions in this area. New procedures designed to reduce locomotive smoke are being implemented and an $80,000 fine will be paid to settle all outstanding UPRR violations.

In October 1992, UPRR and MPRR received Complaints and Notices of Opportunity for Hearing from Region VIII of the EPA alleging various violations of TSCA at USPCI's Clive, Utah and Timpe, Utah transfer facilities, including the failure to properly mark railcars containing PCBs, failure to properly dispose of PCB waste, failure to properly contain or store PCB waste, and failure to properly manifest PCB waste. The Complaints include proposed penalties totalling $95,000 and $295,000, for UPRR and MPRR, respectively. UPRR and MPRR have met with the EPA and expect to settle these alleged violations for substantially less than the initial penalty demands.

In December 1992, the Texas Natural Resources Conservation Commission ("TNRCC") served MPRR with a Notice of Violation for alleged discharges and fuel spills at MPRR's San Antonio, Texas railyard. The TNRCC proposed penalties totalling $500,000. MPRR and the TNRCC have tentatively settled this matter for a penalty payment of $300,000 plus the implementation of certain environmental projects in Texas costing $275,000.

Two complaints and a compliance report issued in 1991 and 1992 by the California Department of Toxic Substance Control ("CDTSC") alleged various violations of waste oil management regulations at UPRR's East Los Angeles, California railyard. In November 1993, the CDTSC issued an enforcement order proposing a $198,000 penalty for these alleged violations. UPRR has met with the CDTSC and expects to settle this matter for substantially less than the initial demand.

UPRR has received a notice from the San Bernardino, California, County District Attorney indicating an intent to file a civil penalty action against UPRR for a penalty of up to $225,000 for certain alleged violations of the California Fish and Game Code. This matter involves UPRR's alleged failure to obtain a necessary permit from the California Department of Fish and Game prior to performing certain maintenance work in stream beds and banks in order to restore desert tortoise habitat in Nipton, California. Settlement discussions have been initiated.

In March 1991, the EPA filed a Complaint against USPCI's subsidiary, Hydrocarbon Recyclers, Inc. ("HRI"), alleging that HRI's Tulsa, Oklahoma recycling facility failed to provide the required notice prior to receiving certain hazardous wastes generated in Mexico. The EPA proposed a penalty of $177,750. HRI filed an Answer to the Complaint and initiated settlement discussions. The EPA and HRI have agreed to settle this matter for $35,000.

USPCI received a Notice of Violation and Order for Compliance dated October 26, 1993 from the State of Utah. The Notice alleges that USPCI's Grassy Mountain facility improperly disposed of hazardous debris without the proper documentation and that hazardous waste was improperly disposed of in an industrial waste cell. USPCI has received a draft Consent Agreement from the State of Utah, which contains a proposed penalty of $276,000 and would impose an additional $280,000 penalty if the alleged violations recur within a six month period.

In addition to the foregoing, Union Pacific and several of its subsidiaries have received notices from the EPA and state environmental agencies alleging that they are or may be liable under CERCLA, RCRA, and other Federal or state environmental legislation for the remediation costs associated with alleged contamination or for violations of environmental requirements at various sites throughout the United States. There are approximately 57 sites for which such notices have been received which are on the Superfund National Priorities List or state superfund lists. Although specific claims have been made by the EPA and state regulators with respect to some of these sites, the ultimate impact of these proceedings and suits by third parties cannot be predicted at this time because of the number of potentially responsible parties involved, the degree of contamination by various wastes, the scarcity and quality of volumetric data related to many of the sites and/or the speculative nature of remediation costs. Nevertheless, at many of the superfund sites, the Corporation believes it will have little or no exposure because no liability should be imposed under applicable law, one or more other financially able parties generated all or most of the contamination, or a settlement of Union Pacific's exposure has been reached although regulatory proceedings at the sites involved have not been formally terminated.

The Corporation has accrued a liability of $181 million for future remediation costs for sites where its obligation is probable and where such costs can be reasonably estimated (See Note 12 to the Financial Statements). While the ultimate cost of resolution of the foregoing issues cannot be fully determined, the Corporation does not believe that the resolution of such issues will materially affect the Corporation's financial condition or results of operations.

Item 4. Submission of Matters to a Vote of Security Holders

Not applicable.

Executive Officers of the Registrant

Name	Position	Age	Business Experience During Past Five Years
Drew Lewis.............	Chairman, President and Chief Executive Officer	62	(1)
L. White Matthews, III..	Executive Vice President - Finance	48	(2)
Ursula F. Fairbairn.....	Senior Vice President - Human Resources	51	(3)
Carl W. von Bernuth.....	Senior Vice President and General Counsel	50	(4)
Charles E. Billingsley..	Vice President and Controller	60	(5)
John E. Dowling.........	Vice President - Corporate Development	46	(6)
John B. Gremillion, Jr..	Vice President - Taxes	47	(7)
Mary E. McAuliffe.......	Vice President - External Relations	48	(8)
Gary F. Schuster........	Vice President - Corporate Relations	52	Current Position
Gary M. Stuart..........	Vice President and Treasurer	53	(9)
Judy L. Swantak.........	Vice President and Corporate Secretary	38	(10)

(1) Mr. Lewis has served in his present position for the past five years. In addition, Mr. Lewis also served as Chairman of the Railroad during August and September 1991.

(2) Mr. Matthews was elected to his present position effective April 1992. Prior thereto, he served as Senior Vice President - Finance of Union Pacific.

(3) Mrs. Fairbairn was elected to her present position effective April 1990. From October 1989 through March 1990, she served as IBM Director of Education and Management Development for International Business Machines Corporation ("IBM") and prior thereto as IBM Director of Education.

(4) Mr. von Bernuth was elected to his present position effective September 1991. Prior thereto, he served as Vice President and General Counsel of Union Pacific.

(5) Mr. Billingsley was elected to his present position effective January 1990. Prior thereto, he served as Controller of Union Pacific.

(6) Mr. Dowling was elected to his present position effective January 1990. Prior thereto, he served as Vice President - Financial Administration of Union Pacific.

(7) Mr. Gremillion was elected to his present position effective February 1992. From June 1989 until January 1992, he served as Director of Taxes of Union Pacific. Prior thereto, he served as Director of Taxes and Regulatory Analysis of Resources.

(8) Ms. McAuliffe was elected to her present position effective December 1991. Prior thereto, she served as Director - Washington Affairs, Transportation and Tax of Union Pacific.

(9) Mr. Stuart was elected to his present position effective January 1990. Prior thereto he served as Treasurer of Union Pacific.

(10) Mrs. Swantak was elected to her present position effective September 1991. From March 1990 through September 1991 she served as Corporate Secretary of Union Pacific. Prior thereto, she served as Assistant Secretary of Union Pacific.

Principal Executive Officers of Subsidiaries

Name	Position	Age	Business Experience During Past Five Years
Richard K. Davidson...	Chairman and Chief Executive Officer of the Railroad	52	(1)
Jack L. Messman.......	President and Chief Executive Officer of Resources; Chairman of USPCI	54	(2)
Thomas W. Boswell.....	President and Chief Executive Officer of Overnite	49	(3)
Robert S. Jackson.....	President and Chief Executive Officer of USPCI	48	(4)

(1) Mr. Davidson was elected Chairman of the Railroad in September 1991, and was elected President and Chief Executive Officer of the Railroad in August 1991. From July 1989 through August 1991 he served as Executive Vice President - Operations of the Railroad. Prior thereto, he served as Vice President - Operations of the Railroad.

(2) Mr. Messman was elected President and Chief Executive Officer of Resources effective May 1991 and has served as Chairman of USPCI for the past five years. Prior to May 1991, he served as Chief Executive Officer of USPCI.

(3) Mr. Boswell was elected to his present position effective March 1991. From March 1990 through March 1991 he served as Vice Chairman and Chief Executive Officer of Overnite, and from July 1989 through March 1990 he served as Vice Chairman of Overnite. Prior thereto, he served as Senior Executive Vice President of Overnite.

(4) Mr. Jackson was elected to his present position effective May 1991. Prior thereto, he served as Executive Vice President and Chief Financial Officer of Resources.

PART II

Item 5. Market for the Registrant's Common Equity and Related Stockholder Matters

Information as to the markets in which Union Pacific's Common Stock is traded, the quarterly high and low prices for such stock and the dividends declared with respect to the Common Stock during the last two years, and the approximate number of stockholders of record at January 31, 1994, is set forth under Selected Quarterly Data and Stockholders and Dividends, appearing on page 41 of the Annual Report. Information as to restrictions on the payment of dividends with respect to the Corporation's Common Stock is set forth in Note 8 to Financial Statements, appearing on page 38 of the Annual Report. Such information is incorporated herein by reference.

Item 6. Selected Financial Data

Selected Financial Data for Union Pacific for each of the last five years are set forth under Ten-Year Financial Summary, appearing on page 45 of the Annual Report. All such information is incorporated herein by reference.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operation

Information as to Union Pacific's results of operations, financial condition and capital investments is set forth in the Financial Review, appearing on pages 23 through 28 of the Annual Report, and is incorporated herein by reference.

Item 8. Financial Statements and Supplementary Data

The Corporation's consolidated financial statements, accounting policy disclosures, notes to financial statements, business segment information and independent auditors' report are presented on pages 29 through 40 of the Annual Report. Selected quarterly financial data are set forth under Selected Quarterly Data, appearing on page 41 of the Annual Report. Information with respect to oil and gas producing activities is set forth under Supplementary Information, appearing on pages 42 through 44 of the Annual Report. All such information is incorporated herein by reference.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

PART III

Item 10. Directors and Executive Officers of the Registrant

(a) Directors of Registrant.

Information as to the names, ages, positions and offices with Union Pacific, terms of office, periods of service, business experience during the past five years and other directorships held by each director or person nominated to become a director of Union Pacific is set forth in the Directors segments of the Proxy Statement and is incorporated herein by reference.

(b) Executive Officers of Registrant.

Information concerning the executive officers of Union Pacific and its subsidiaries is presented in Part I of this Report under Executive Officers of the Registrant and Principal Executive Officers of Subsidiaries.

(c) Section 16(a) Compliance.

Information concerning compliance with Section 16(a) of the Securities Exchange Act of 1934 is set forth in the Certain Relationships and Related Transactions segment of the Proxy Statement and is incorporated herein by reference.

Item 11. Executive Compensation

Information concerning remuneration received by Union Pacific's executive officers and directors is presented in the Compensation of Directors, Report on Executive Compensation, Summary Compensation Table, Option/SAR Grants Table, Option/SAR Exercises and Year-End Value Table, Long-Term Incentive Plan Awards Table, Defined Benefit Plans and Five-Year Performance Comparison segments of the Proxy Statement and is incorporated herein by reference.

Item 12. Security Ownership of Certain Beneficial Owners and Management

Information as to the number of shares of Union Pacific's equity securities beneficially owned as of March 3, 1994 by each of its directors and nominees for director, its five most highly compensated executive officers and its directors and executive officers as a group is set forth in the Directors and Security Ownership of Management segments of the Proxy Statement and is incorporated herein by reference.

Item 13. Certain Relationships and Related Transactions

Information on related transactions is set forth in the Certain Relationships and Related Transactions and Compensation Committee Interlocks and Insider Participation segments of the Proxy Statement and is incorporated herein by reference.

PART IV

Item 14. Exhibits, Financial Statement Schedules and Reports on Form 8-K

(a) (1) and (2) Financial Statements and Schedules

See Index to Financial Statements on page F-1.

(3) Exhibits - Items 10(a) through 10(n) constitute the management contracts and executive compensation plans and arrangements required to be filed as exhibits to this report.

(3) (a) Union Pacific's Revised Articles of Incorporation, as amended through April 17, 1992, are incorporated herein by reference to Exhibit 3(a) to Union Pacific's Report on Form 10-Q for the quarter ended March 31, 1992.

(3) (b) Union Pacific's By-Laws, amended effective as of January 27, 1994, are incorporated herein by reference to Exhibit 3.3 to Union Pacific's Registration Statement on Form S-3 (File No. 33-52645).

(4) Pursuant to various indentures and other agreements, Union Pacific has issued long-term debt, but no such agreement has securities or obligations covered thereby which exceed 10% of Union Pacific's total consolidated assets. Union Pacific agrees to furnish the Commission with a copy of any such indenture or agreement upon request by the Commission.

(10) (a) The Executive Incentive Plan of Union Pacific Corporation and Subsidiaries, amended effective as of September 30, 1993, is incorporated herein by reference to Exhibit 10 to Union Pacific's Report on Form 10-Q for the quarter ended September 30, 1992 and Exhibit 10(a) to Union Pacific's Report on Form 10-Q for the quarter ended September 30, 1993.

(10) (b) The 1982 Stock Option and Restricted Stock Plan of Union Pacific Corporation, as amended as of February 1, 1992, is incorporated herein by reference to Exhibit 10(c) to Union Pacific's Report on Form 10-K for the year ended December 31, 1991.

(10) (c) The 1988 Stock Option and Restricted Stock Plan of Union Pacific Corporation, as amended as of February 1, 1992, is incorporated herein by reference to Exhibit 10(d) to Union Pacific's Report on Form 10-K for the year ended December 31, 1991.

(10) (d) The Supplemental Pension Plan for Officers and Managers of Union Pacific Corporation and Affiliates, as amended and restated.

(10) (e) The Supplemental Pension Plan for Exempt Salaried Employees of Union Pacific Resources Company and Affiliates, as amended and restated.

(10) (f) The Employment Agreement, dated as of January 30, 1986, between Union Pacific and Andrew L. Lewis, Jr. is incorporated herein by reference to Exhibit 10(e) to Union Pacific's Report on Form 10-K for the year ended December 31, 1985.

(10) (g) The 1990 Retention Stock Plan of Union Pacific Corporation, as amended as of September 30, 1993, is incorporated herein by reference to Exhibit 10(e) to Union Pacific's Report on Form 10-Q for the quarter ended September 30, 1991 and Exhibit 10(b) to Union Pacific's Report on Form 10-Q for the quarter ended September 30, 1993.

(10) (h) The 1992 Restricted Stock Plan for Non-Employee Directors of Union Pacific Corporation, as amended as of January 28, 1993, is incorporated herein by reference to Exhibit 10(a) to Union Pacific's Current Report on Form 8-K filed March 16, 1993.

(10) (i) The 1993 Stock Option and Retention Stock Plan of Union Pacific Corporation, as amended as of September 30, 1993, is incorporated herein by reference to Exhibit 10(b) to Union Pacific's Current Report on Form 8-K filed March 16, 1993 and Exhibit 10(c) to Union Pacific's Report on Form 10-Q filed for the quarter ended September 30, 1993.

(10) (j) Pension Plan for Non-Employee Directors of Union Pacific Corporation is incorporated herein by reference to Exhibit 10(k) to Union Pacific's Report on Form 10-K for the year ended December 31, 1992.

(10) (k) Written Description of Deferred Compensation Plan for Non-Employee Directors of Union Pacific Corporation is incorporated herein by reference to Exhibit 10(l) to Union Pacific's Report on Form 10-K for the year ended December 31, 1992.

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(10) (m) Written Description of Executive Life Insurance Plan of Union Pacific Corporation is incorporated herein by reference to Exhibit 10(n) to Union Pacific's Report on Form 10-K for the year ended December 31, 1992.

(10) (n) Written Description of Other Executive Compensation Arrangements of Union Pacific Corporation is incorporated herein by reference to Exhibit 10(o) to Union Pacific's Report on Form 10-K for the year ended December 31, 1992.

(11) Statement re computation of earnings per share.

(12) Statement re computation of ratio of earnings to fixed charges.

(13) Pages 14 through 45, inclusive, and the system map contained on the inside back cover of Union Pacific's Annual Report to Stockholders for the year ended December 31, 1993, but excluding photographs set forth on pages 14 through 22, which do not supplement the text and are not otherwise required to be disclosed in this Form 10-K.

(21) List of Union Pacific's significant subsidiaries and their respective states of incorporation.

(23) Independent Auditors' Consent.

(24) Powers of attorney executed by the directors of Union Pacific.

(99) (a) Form 11-K Annual Report of the Union Pacific Corporation Thrift Plan for the Fiscal Year Ended December 31, 1993 - To be filed by amendment.

(99) (b) Form 11-K Annual Report of the USPCI, Inc. Savings Plan for the Fiscal Year Ended December 31, 1993 - To be filed by amendment.

(99) (c) Form 11-K Annual Report of the Union Pacific Fruit Express Company Agreement Employee 401(k) Retirement Thrift Plan for the Fiscal Year Ended December 31, 1993 - To be filed by amendment.

(99) (d) Form 11-K Annual Report of the Skyway Retirement Savings Plan for the Fiscal Year Ended December 31, 1993 - To be filed by amendment.

(99) (e) Form 11-K Annual Report of the Union Pacific Agreement Employee 401(k) Retirement Thrift Plan for the Fiscal Year Ended December 31, 1993 - To be filed by amendment.

(b) Reports on Form 8-K

No reports on Form 8-K were filed during the quarter ended December 31, 1993.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, on this 29th day of March, 1994.

UNION PACIFIC CORPORATION

By /s/ Drew Lewis

(Drew Lewis, Chairman, President and Chief Executive Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below, on this 29th day of March, 1994, by the following persons on behalf of the registrant and in the capacities indicated.

PRINCIPAL EXECUTIVE OFFICER AND DIRECTOR:

/s/ Drew Lewis

(Drew Lewis, Chairman, President and Chief Executive Officer)

PRINCIPAL FINANCIAL OFFICER:

/s/ L. White Matthews, III

(L. White Matthews, III, Executive Vice President - Finance)

PRINCIPAL ACCOUNTING OFFICER:

/s/ Charles E. Billingsley

(Charles E. Billingsley, Vice President and Controller)

SIGNATURES - (Continued)

DIRECTORS:

Robert P. Bauman*

Richard B. Cheney*

E. Virgil Conway*

Spencer F. Eccles*

Elbridge T. Gerry, Jr.*

William H. Gray, III*

Judith R. Hope*

Lawrence M. Jones*

Richard J. Mahoney*

Claudine B. Malone*

John R. Meyer*

Thomas A. Reynolds, Jr.*

James D. Robinson, III*

Robert W. Roth*

Richard D. Simmons*

* By /s/ Judy L. Swantak

(Judy L. Swantak, Attorney-in-fact)

UNION PACIFIC CORPORATION AND SUBSIDIARY COMPANIES

INDEX TO FINANCIAL STATEMENTS

Schedules other than those listed above are omitted because of the absence of the conditions under which they are required or because the required information is set forth in the financial statements referred to above.

INDEPENDENT AUDITORS' REPORT

Union Pacific Corporation, its Directors and Stockholders:

We have audited the statements of consolidated financial position of Union Pacific Corporation and subsidiary companies as of December 31, 1993 and 1992, and the related statements of consolidated income, changes in common stockholders' equity, and consolidated cash flows for each of the three years in the period ended December 31, 1993, and have issued our report thereon dated January 20, 1994; such financial statements and report are included in your 1993 Annual Report to Stockholders and are incorporated herein by reference. Our audits also included the financial statement schedules of Union Pacific Corporation and subsidiary companies, listed in the accompanying index to Item 14. The financial statement schedules are the responsibility of the Corporation's management. Our responsibility is to express an opinion based on our audits. In our opinion, such financial statement schedules, when considered in relation to the basic consolidated financial statements taken as a whole, present fairly in all material respects the information set forth therein.

/s/ DELOITTE & TOUCHE
DELOITTE & TOUCHE

New York, New York
January 20, 1994

SCHEDULE V

UNION PACIFIC CORPORATION AND SUBSIDIARY COMPANIES

PROPERTY, PLANT AND EQUIPMENT

For the Years Ended December 31, 1993, 1992 and 1991
(Millions of Dollars)

Classification	Balance at Beginning of Year	Additions at Cost	Retirements or Sales	Other Changes	Balance at End of Year
Year ended December 31, 1993:					
Railroad:					
Road and other......	$ 7,282	$ 591	$ (100)	$ 162	$ 7,935
Equipment...........	4,328	214	(44)	77	4,575
	11,610	805	(144)	239(b)	12,510
Natural resources:					
Exploration and production(a).....	3,668	504	(147)	--	4,025
Other...............	117	3	(1)	--	119
	3,785	507	(148)	--	4,144
Trucking..............	555	80	(14)	--	621
Waste management......	350	114	(2)	2	464
Other.................	85	14	(4)	26(c)	121
Total	$16,385	$ 1,520	$ (312)	$ 267	$17,860

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Classification	Balance at Beginning of Year	Additions at Cost	Retirements or Sales	Other Changes	Balance at End of Year
Year ended December 31, 1992:					
Railroad:					
Road and other......	$ 6,895	$ 504	$ (159)	$ 42	$ 7,282
Equipment...........	4,087	263	(33)	11	4,328
	10,982	767	(192)	53	11,610
Natural resources:					
Exploration and production(a).....	3,420	547	(299)	--	3,668
Other...............	116	5	(4)	--	117
	3,536	552	(303)	--	3,785
Trucking..............	490	72	(7)	--	555
Waste management......	248	109	(7)	--	350
Other.................	77	25	(3)	(14)	85
Total	$15,333	$ 1,525	$ (512)	$ 39	$16,385

SCHEDULE V

(Continued)

UNION PACIFIC CORPORATION AND SUBSIDIARY COMPANIES

PROPERTY, PLANT AND EQUIPMENT

For the Years Ended December 31, 1993, 1992 and 1991
(Millions of Dollars)

Classification	Balance at Beginning of Year	Additions at Cost	Retirements or Sales	Other Changes	Balance at End of Year
Year ended December 31, 1991:					
Railroad:					
Road and other......	$ 6,511	$ 440	$ (82)	$ 26	$ 6,895
Equipment...........	3,861	181	14	31	4,087
	10,372	621	(68)	57	10,982
Natural resources:					
Exploration and production(a).....	3,126	417	(123)	--	3,420
Other...............	106	10	--	--	116
	3,232	427	(123)	--	3,536
Trucking..............	457	40	(5)	(2)	490
Waste management......	154	97	(2)	(1)	248
Other.................	141	6	(16)	(54)	77
Total	$14,356	$ 1,191	$ (214)	$ --	$15,333

(a) Includes pipeline properties.

(b) Includes adjustments required in the adoption of Statement of Financial Accounting Standards (SFAS) No. 109, "Accounting for Income Taxes". See Note 2 to the Financial Statements.

(c) Includes the acquisition of Skyway Freight Systems, Inc.

SCHEDULE VI

UNION PACIFIC CORPORATION AND SUBSIDIARY COMPANIES

ACCUMULATED DEPRECIATION, DEPLETION AND AMORTIZATION OF PROPERTIES

For the Years Ended December 31, 1993, 1992 and 1991
(Millions of Dollars)

Classification	Balance at Beginning of Year	Additions Charged to Expense	Retirements or Sales	Other Changes	Balance at End of Year
Year ended December 31, 1993:					
Railroad:					
Road and other......	$ 1,693	$ 236	$ (118)	$ 179	$ 1,990
Equipment...........	1,730	206	(20)	(147)	1,769
	3,423	442	(138)	32	3,759
Natural resources:					
Exploration and production(a).....	2,067	384	(150)	--	2,301
Other...............	57	6	(1)	1	63
	2,124	390	(151)	1	2,364
Trucking..............	138	34	(7)	--	165
Waste management......	82	20	(1)	--	101
Other.................	18	6	(1)	7	30
Total	$ 5,785	$ 892	$ (298)	$ 40	$ 6,419

Classification	Balance at Beginning of Year	Additions Charged to Expense	Retirements or Sales	Other Changes	Balance at End of Year
Year ended December 31, 1992:					
Railroad:					
Road and other......	$ 1,564	$ 206	$ (125)	$ 48	$ 1,693
Equipment...........	1,558	182	(13)	3	1,730
	3,122	388	(138)	51	3,423
Natural resources:					
Exploration and production(a).....	1,921	394	(248)	--	2,067
Other...............	50	7	(1)	1	57
	1,971	401	(249)	1	2,124
Trucking..............	112	31	(4)	(1)	138
Waste management......	60	22	(1)	1	82
Other.................	17	1	--	--	18
Total	$ 5,282	$ 843	$ (392)	$ 52	$ 5,785

SCHEDULE VI

(Continued)

UNION PACIFIC CORPORATION AND SUBSIDIARY COMPANIES

ACCUMULATED DEPRECIATION, DEPLETION AND AMORTIZATION OF PROPERTIES

For the Years Ended December 31, 1993, 1992 and 1991
(Millions of Dollars)

Classification	Balance at Beginning of Year	Additions Charged to Expense	Retirements or Sales	Balance Other Changes	Balance at End of Year
Year ended December 31, 1991:					
Railroad:					
Road and other......	$ 1,340	$ 197	$ (77)	$ 104	$ 1,564
Equipment...........	1,344	176	32	6	1,558
	2,684	373	(45)	110	3,122
Natural resources:					
Exploration and production(a).....	1,733	255	(107)	40	1,921
Other...............	43	7	--	--	50
	1,776	262	(107)	40	1,971
Trucking..............	84	30	(5)	3	112
Waste management......	40	20	--	--	60
Other.................	21	6	(10)	--	17
Total	$ 4,605	$ 691	$ (167)	$ 153(b)	$ 5,282

(a) Includes pipeline properties.

(b) Includes $136 million relating to the 1991 special charge. See Note 3 to the Financial Statements.

SCHEDULE X

UNION PACIFIC CORPORATION AND SUBSIDIARY COMPANIES

SUPPLEMENTARY INCOME STATEMENT INFORMATION

For the Years Ended December 31, 1993, 1992 and 1991
(Millions of Dollars)

Item	1993	1992	1991
Maintenance and repairs....	$1,024	$1,047	$1,043
Selling, general and administrative expenses..	$ 688	$ 671	$ 634
Taxes other than payroll and income taxes:			
Property/Ad valorem tax..	$ 105	$ 84	$ 93
Other taxes..............	92	70	93
Total	$ 197	$ 154	$ 186

EXHIBIT INDEX

Exhibit Number	
(3)(a)	Union Pacific's Revised Articles of Incorporation, as amended through April 17, 1992, are incorporated herein by reference to Exhibit 3(a) to Union Pacific's Report on Form 10-Q for the quarter ended March 31, 1992.
(3)(b)	Union Pacific's By-Laws, amended effective as of January 27, 1994, are incorporated herein by reference to Exhibit 3.3 to Union Pacific's Registration Statement on Form S-3 (File No. 33-52645).
(4)	Pursuant to various indentures and other agreements, Union Pacific has issued long-term debt, but no such agreement has securities or obligations covered thereby which exceed 10% of Union Pacific's total consolidated assets. Union Pacific agrees to furnish the Commission with a copy of any such indenture or agreement upon request by the Commission.
(10)(a)	The Executive Incentive Plan of Union Pacific Corporation and Subsidiaries, amended effective as of September 30, 1993, is incorporated herein by reference to Exhibit 10 to Union Pacific's Report on Form 10-Q for the quarter ended September 30, 1992 and Exhibit 10(a) to Union Pacific's Report on Form 10-Q for the quarter ended September 30, 1993.
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(99)(e)	Form 11-K Annual Report of the Union Pacific Agreement Employee 401(k) Retirement Thrift Plan for the Fiscal Year Ended December 31, 1993 - To be filed by amendment.

EXHIBIT 10(d)

SUPPLEMENTAL PENSION PLAN

For Officers and Managers

of

Union Pacific Corporation

and

Affiliates

(As amended and restated in its entirety effective as of January 1, 1976, including all amendments adopted through May, 1990)

TABLE OF CONTENTS

ARTICLE ONE

Scope of Supplemental Plan and Definitions

1.1 The "Union Pacific Railroad Company Pension Plan," effective May 5, 1937, as amended from time to time, and as in effect immediately prior to July 1, 1968, shall establish the rights of officers and supervisors whose remuneration and working conditions were not subject to agreement and who retired prior to July 1, 1968. The Prior Supplemental Plan, effective July 1, 1968, and as amended from time to time, shall establish the rights of officers and supervisors whose remuneration and working conditions were not subject to agreement and who retired or otherwise terminated their employment on or after July 1, 1968 and prior to January 1, 1976. The Supplemental Plan, as set forth herein, effective January 1, 1976, and as it may hereafter be amended from time to time, shall establish the rights of officers and managers whose remuneration and working conditions are not subject to agreement and who retire or otherwise terminate their employment on or after January 1, 1976. The rights provided to officers and managers under the Supplemental Plan shall be in addition to, and not in lieu of, the rights, if any, provided to such persons under the "Pension Plan for Salaried Employees of Union Pacific Corporation and Affiliates," effective January 1, 1976, and as it may hereafter be amended from time to time.

1.2 As used in this Supplemental Plan, the following terms have the meanings set forth below, unless a different meaning is plainly required by the context:

(a) "Administrator" means the Senior Vice President-Human Resources of Union Pacific.

(b) "Average Earnings" for purposes of Sections 3.1(a) and 3.4 means the average Earnings of a Participant for any 60 months of highest Earnings preceding his Retirement Date; provided, however, that for purposes of such calculation, the Earnings of such Participant following July 1, 1968 shall be deemed to be his annual Earnings as of July 1, 1968.

(c) "Company" means Union Pacific Corporation (herein called "Union Pacific") and any Affiliate of Union Pacific which is included in the Supplemental Plan by action of (1) its Board of Directors and (2) either the Board of Directors or the Administrator; provided, however, if an Affiliate of Union Pacific is included in the Plan by virtue of action by the Administrator, unless the Board of Directors ratifies such action not later than the first regularly scheduled meeting of the Board of Directors held subsequent to the taking of such action by the Administrator, such Affiliate shall cease to be so included as of the close of business on the last day of the month in which such meeting occurs.

(d) "Early Supplemental Pension" means the pension provided for in Section 3.4.

(e) "Effective Date" means January 1, 1976.

(f) "Excess Supplemental Pension" means the pension provided for in Section 3.6.

(g) "Incentive Compensation" means incentive compensation awarded a Participant under the Executive Incentive Plan of Union Pacific Corporation and Subsidiaries, as amended and restated as of January 1, 1981 and as it may thereafter be amended from time to time, but only to the extent that such incentive compensation is not taken into account in computing the Participant's Final Average Earnings under the Plan. Awards of Incentive Compensation shall be taken into account on the accrual basis at the time such awards are made, provided, however, that no more than three awards of Incentive Compensation shall be taken into account for any 36-month period.

(h) "Normal Supplemental Pension" means the pension provided for in Section 3.3.

(i) "Participant" means

(i) any person who was a Participant in the Prior Supplemental Plan on December 31, 1975 and who is an Employee on the Effective Date, or

(ii) any Member of the Plan who is an officer or manager of the Company and whose remuneration and working conditions are not subject to agreement.

(j) "Plan" means the "Pension Plan for Salaried Employees of Union Pacific Corporation and Affiliates", effective January 1, 1976, and as it may be hereafter amended from time to time.

(k) "Postponed Supplemental Pension" means the pension provided for in Section 3.5.

(l) "Prior Supplemental Plan" means the "Supplemental Pension Plan for Officers and Supervisors of Union Pacific Railroad Company and Affiliates" as it existed on December 31, 1975.

(m) "Supplemental Plan" means the "Supplemental Pension Plan for Officers and Managers of Union Pacific Corporation and Affiliates," as described herein, and as it may hereafter be amended from time to time; such term shall also include the Prior Supplemental Plan, except where specific reference is made to the Prior Supplemental Plan.

(n) "Surviving Spouse" means the spouse of a Participant who is legally married to the Participant on the date of his death and

(i) where payments to the Participant under the Supplemental Plan have not begun, who was legally married to the Participant continuously during the 12 months immediately preceding the date of the Participant's death, or

(ii) where payments to the Participant under the Supplemental Plan have begun, who was legally married to the Participant continuously during the 12 months immediately preceding the date that such payments began.

(o) "Surviving Spouse's Pension" means the pension provided for in Section 3.7.

(p) "Total Service" means the period of service recognized for Supplemental Plan purposes, as set forth in Section 2.1.

(q) "Vesting Service" means the period of service recognized for Supplemental Plan purposes, as set forth in Section 2.2.

(r) The following terms have the respective meanings set forth in the definition provisions of Section 1.2 of the Plan:

(i) Actuarial Equivalent
(ii) Affiliate
(iii) Board of Directors
(iv) Continuous Service
(v) Credited Service
(vi) Early Retirement Date
(vii) Early Retirement Pension
(viii) Earnings
(ix) Employment Commencement Date
(x) Employment
(xi) Final Average Earnings
(xii) Member
(xiii) Normal Retirement Date
(xiv) Normal Retirement Pension
(xv) Postponed Retirement Date
(xvi) Postponed Retirement Pension
(xvii) Retirement Date
(xviii) Year of Service
(xix) Contingent Annuitant
(xx) Hour of Service
(xxi) Retirement Pension

The masculine pronoun wherever the context so indicates shall include the feminine. Wherever any words are used herein in the singular, they shall be construed as though they were also used in the plural in all cases where they shall so apply.

ARTICLE TWO

Total Service and Vesting Service

2.1 Total Service. (expressed in the years, including portions thereof) shall include:

(a) all years of Credited Service (including portions thereof) as set forth in Article Three of the Plan;

(b) such additional years of training prior to the Participant's Employment Commencement Date, as may have, in the opinion of the Company, especially qualified the Participant for service with the Company, but only after approval of such additional years by the Board of Directors and the communication of such approval to the Participant (including any such years approved under the Prior Supplemental Plan); and,

(c) as provided in Section 3.1(a) and in Section 3.5, but only in respect of a Participant entitled to a Supplemental Pension pursuant to Section 3.1(a), a Participant's entire uninterrupted period of service with the Company, if any, subsequent to attainment of age 65.

2.2 Vesting Service. (expressed in years, including portions thereof) shall include:

(a) all years of Continuous Service (including portions thereof) as set forth in Article Two of the Plan; and

(b) any additional years approved under Section 2.1(b).

ARTICLE THREE

Amount and Payment of Pension

3.1 Normal Make-up Pension. A Participant who on July 1, 1968 had attained age 55 and who was at that time a participant in the Prior Supplemental Plan shall be entitled to an annual normal make-up pension commencing on his Normal Retirement Date equal to the excess, if any, of (a) over (b), where:

(a) equals a sum arrived at by taking 0.5% of the first $4,800 and 1.25% of the excess of such Participant's Average Earnings and multiplying that amount by his Total Service included in Total Service, for this purpose (i) in the case of Participants who attained age 65 prior to July 1, 1968, all service beyond age 65, and (ii) in the case of Participants whose Total Service includes the 10 years immediately preceding Retirement Date, the period of full-time service with any common carrier railroad company (established to the satisfaction of the Administrator); and

(b) equals the annual Normal or Early or Postponed Retirement Pension determined under Article Five of the Plan without regard, however, to the limitation in Section 5.5 thereof.

3.2 Normal Additional Years of Service and/or Incentive Compensation Pension. A Participant whose Total Service includes additional years under Section 2.1(b) beyond the years of Credited Service recognized under Article Three of the Plan and/or who has been awarded Incentive Compensation within the 10-year period immediately preceding his Retirement Date will be entitled to an annual additional years of service and/or incentive compensation pension, commencing on his Normal Retirement Date, equal to the excess of (i) the annual Normal Retirement Pension computed on the basis of the formula provided in Section 5.1 of the Plan, including in the Participant's Final Average Earnings under such formula the Incentive Compensation awarded such Participant and utilizing all such additional years included in Total Service, but not beyond an aggregate of 40 years of Total Service, over (ii) the annual Normal or Early or Postponed Retirement Pension determined under Article Five of the Plan without regard, however, to the limitation in Section 5.5 thereof.

3.3 Normal Supplemental Pension. A Participant who is entitled to receive a normal make-up pension as provided in Section 3.1 and is also entitled to receive a normal additional years of service and/or incentive compensation pension as provided in Section 3.2, shall receive whichever furnishes the higher Normal Supplemental Pension.

3.4 Early Supplemental Pension. A Participant retired on an Early Retirement Date shall be entitled to receive a supplemental pension commencing at Normal Retirement Date, computed in accordance with Section 3.3, based upon Total Service rendered and/or Incentive Compensation awarded, and for purposes of Section 3.1(a), if applicable, Average Earnings prior to his Early Retirement Date. In lieu thereof, such Participant may elect to receive a reduced supplemental pension, commencing on his Early Retirement Date, which is the Normal Supplemental Pension accrued under the Supplemental Plan to his Early Retirement Date multiplied by the early retirement factor determined from the table below (prorated on a monthly basis for fractions of a year).

EARLY RETIREMENT FACTORS

Age on Early Retirement Date	Percentage Factor
55	60
56	65
57	70
58	75
59	80
60	85
61	88
62	91
63	94
64	97

3.5 Postponed Supplemental Pension. A Participant who at the request of the Company retires on a Postponed Retirement Date shall be entitled to a supplemental pension, commencing on his Postponed Retirement Date, which is the Normal Supplemental Pension; provided, however, that, in the case of a Participant entitled to a Normal Make-up Pension as provided in Section 3.1, Normal Supplemental Pension shall be calculated on the basis of including in Total Service for the purpose of Section 3.1(a) all years beyond Normal Retirement Date.

3.6 Excess Supplemental Pension. A Participant whose Normal or Early or Postponed Retirement Pension is reduced as a result of the application of the limitation in Section 5.5 of the Plan shall be entitled to a supplemental pension, commencing on his Retirement Date, equal to the amount of such reduction.

3.7 Surviving Spouse's Pension. The Surviving Spouse of a Participant having attained age 55, and having retired on or after July 1, 1974, or of a Participant having attained age 65 on or after July 1, 1974 shall be entitled to a Surviving Spouse's Pension equal to one-half of the normal form of the Normal or Early or Postponed or Excess Supplemental Pension payable to such deceased Participant under the Supplemental Plan. Such Surviving Spouse's Pension shall be payable to such Spouse in equal monthly installments for life, commencing on the first day of the month immediately following the death of such Participant. In no event shall the Surviving Spouse who was also designated as the Participant's Contingent Annuitant under the Plan receive more than 100% of the retirement income payable to the Participant under the Contingent Annuitant Option under the Plan.

3.8 Involuntary Termination Supplemental Pension.

(a) In addition to a Normal Supplemental Pension determined under Section 3.3, if the employment of any Participant (i) who is elected officer, and (ii) whose highest annual Earnings (plus Incentive Compensation) is not less than $200,000, is involuntarily terminated prior to the 5th anniversary date of a "change in control" (as hereinafter defined) and prior to his Normal Retirement Date, and if, at the time of such involuntary termination, such Participant has completed 10 or more years of Continuous Service and is within the 10-year period immediately preceding his Normal Retirement Date, such Participant shall be entitled to an Involuntary Termination Supplemental Pension commencing on his Normal Retirement Date, equal to the excess of (i) the Normal Supplemental Pension computed in accordance with Section 3.3, based on Total Service rendered and as projected to be rendered to the 5th anniversary of such change in control (or, if earlier, his Normal Retirement Date) over (ii) the Normal Supplemental Pension determined under Section 3.3. In lieu thereof, such Participant shall, in the event he elects an Early Retirement Date, receive an Involuntary Termination Supplemental Pension commencing on such Early Retirement Date, equal to the excess of (i) the Early Supplemental Pension computed in accordance with Section 3.4, based on Total Service rendered and as projected to be rendered to the 5th anniversary of such change in control (or, if earlier, his Normal Retirement Date) multiplied by the early retirement factor determined from the table set forth in Section 3.4, but based on the Participant's projected age on the 5th anniversary date of such change in control (or, if earlier, his Normal Retirement Date), over (ii) the Early Supplemental Pension determined under Section 3.4.

(b) In addition to any supplemental pension determined under Section 5.2, if the employment of any Participant (other than a Participant described in (a) above (i) who is an elected officer and (ii) whose highest annual Earnings (including Incentive Compensation) is not less than $200,000) is involuntarily terminated prior to the 5th anniversary date of a change in control and prior to his Normal Retirement Date, and if such Participant would have attained age 55 and been credited with at least 15 years of Vesting Service had he continued to be employed to such 5th anniversary date, such Participant shall be entitled to an Involuntary Termination Supplemental Pension commencing on the date his supplemental pension under Section 5.2 commences, equal to the excess of (i) the supplemental pension computed in accordance with Section 5.2, based on Total Service rendered and as projected to be rendered to the 5th anniversary of such change in control (or, if earlier, his Normal Retirement Date), provided that, in the event such Participant elects to receive his supplemental pension commencing on a date prior to his Normal Retirement Date, the Actuarial Equivalent referred to in Section 5.2 shall be based on the Participant's projected age on the 5th anniversary date of such change of control (or, if earlier, his Normal Retirement Date), over (ii) the supplemental pension determined under Section 5.2

(c) For purposes of this Section 3.8, the term "involuntary termination" means any action taken subsequent to a change in control by the Company or any successor to, or assignee of, its obligations under this Supplemental Plan, terminating employment for other than an unlawful act or, without the consent of a Participant, adversely affecting the employment status by reducing earnings or demoting in title, or lessening of authority or responsibilities, or changing the situs of employment which requires a change of residence, of such Participant.

(d) For purposes of this Section 3.8, a change in control shall occur if (i) any person (within the meaning of

Section 13(d) of the Securities Exchange Act of 1934 (the "Act")), other than Union Pacific Corporation or a subsidiary of Union Pacific Corporation or any employee benefit plan sponsored by Union Pacific Corporation or a subsidiary of Union Pacific Corporation, shall become the beneficial owner (as such term is defined in Rule 13d-3 under the Act) directly or indirectly of thirty percent or more of the outstanding stock of Union Pacific Corporation (calculated as provided in paragraph (d) of Rule 13d-3 under the Act in the case of rights to acquire common stock), (ii) the shareholders of Union Pacific Corporation shall approve (A) any consolidation or merger of Union Pacific Corporation in which Union Pacific Corporation is not the continuing or surviving corporation or pursuant to which shares of common stock of Union Pacific Corporation would be converted into cash, securities or other property, other than a merger of Union Pacific Corporation in which holders of common stock of Union Pacific Corporation immediately prior to the merger have the same proportionate ownership of common stock of the surviving corporation immediately after the merger as immediately before or (B) any sale, lease, exchange or other transfer (in one transaction or a series of related transactions) of all or substantially all the assets of Union Pacific Corporation or (iii) there shall have been a change in the composition of the Board of Directors of Union Pacific Corporation such that within any period of two consecutive years or less individuals who at the beginning of such period constituted such Board, together with any new directors whose election, or nomination for election by Union Pacific Corporation's stockholders, was approved by a vote of at least two-thirds of the directors then in office who were directors at the beginning of such period, shall for any reason no longer constitute a majority of the directors of Union Pacific Corporation.

(e) In the event any amount paid or benefit otherwise received by a Participant under the Supplemental Plan shall be determined by the Internal Revenue Service to constitute an "excess parachute payment" as such term is defined in Section 280G of the Internal Revenue Code of 1986, as amended (the "Code"), and to be subject to an excise tax under Section 4999 of the Code, or any successor provision thereto (collectively, "Excise Tax"), the Company shall pay to the Participant an additional amount such that after taking into account taxes, including interest and penalties with respect thereto, incurred by the Participant on the receipt of such additional amount, the Participant is left with the same after-tax amount the Participant would have been left with had no Excise Tax been imposed.

3.9 Pre-Termination Age and Service Grant. The pension to which a Participant would otherwise be entitled hereunder shall be redetermined by including in Total Service such additional years as may be approved by the Chief Executive Officer of Union Pacific Corporation prior to termination of Employment or by adding to such Participant's age such additional years as may then be approved by the Chief Executive Officer of Union Pacific Corporation, or both, but not in excess of five years in either case. All rights of a

Participant or his beneficiaries hereunder shall be determined on the basis of such additional years. For purposes of Section 3.4 and Section 3.7, the age of any Participant shall be determined by adding to such Participant's age such additional years as were granted to such person under the Plan.

3.10 Suspension of Benefits. Notwithstanding any provisions of Article Three or Article Five to the contrary, the payment of the supplemental pension to which a Participant is otherwise entitled under the Supplemental Plan shall be suspended during any period for which payment of the Retirement Pension to which such Participant is otherwise entitled under the Plan is suspended under the terms of the Plan due to such Participant's return to Employment. Upon the resumption of payment of such supplemental pension to such Participant, no actuarial or other adjustment shall be made to the amounts otherwise payable to such Participant under the Supplemental Plan so as to reflect such suspension.

ARTICLE FOUR

Manner of Payment

4.1 The supplemental pension to which a Participant is entitled under Section 3.3, 3.4, 3.5 or 3.6 shall be paid to him in the same form as the manner of payment in effect for him under Article Six of the Plan.

ARTICLE FIVE

Vesting

5.1 Termination Prior to Vesting. A Participant who terminates his Employment prior to his Early or Normal Retirement Date and prior to his completion of 3 years of Continuous Service shall not be entitled to any of the benefits herein provided. If the Chief Executive Officer of Union Pacific Corporation determines that the requirement set forth in the preceding sentence of the completion of 3 years of Continuous Service would be disadvantageous to the Company in the case of any Participant, such requirement shall be increased to the completion of 5 years of Continuous Service by the Participant. The Chief Executive Officer of Union Pacific Corporation shall make his determination by the date the Participant terminates his Employment.

5.2 Termination after Vesting. Except as provided in Section 6.2, a Participant who terminates his Employment prior to his Normal or Early Retirement Date but after his completion of 3 years or 5 years of Continuous Service, whichever is applicable to him as determined under Section 5.1, shall be entitled to receive, commencing on his Normal Retirement Date, the supplemental pension accrued under the Supplemental Plan to the date he terminated his Employment. In lieu thereof, such Participant may elect to receive such supplemental pension commencing on the first day of any month within the 10-year period preceding his Normal Retirement Date, in which case such supplemental pension shall be the Actuarial Equivalent of the supplemental pension which would have been payable on his Normal Retirement Date, based upon the difference in age between the Participant's age when such supplemental pension is to begin and his Normal Retirement Date.

5.3 Normal Form of Vested Benefit. The supplemental pension credited to a vested terminated Participant shall be paid in equal monthly installments as follows:

(a) If the Participant is married at the time payment is to begin, his supplemental pension shall be paid in the form of a 50% Contingent Annuitant Option calculated in accordance with Section 6.3 of the Plan, with his spouse as Contingent Annuitant.

(b) If the Participant is not married at the time payment is to begin, his supplemental pension shall be in the form of a life income pension, payable in equal installments to him for life.

5.4 Optional Form of Vested Benefit. A vested terminated Participant included in Section 5.3(a) above may elect at any time 90 or more days before payment is to begin to receive his supplemental pension in the form of a life income pension, payable in equal installments for life. If the vested terminated Participant makes such election, no amount shall be payable to his spouse under Section 5.3(a).

ARTICLE SIX

Employee Transfers

6.1 Transfers into Supplemental Plan from Other Supplemental Plan. If any employee who is a participant in any other supplemental pension plan of an Affiliate is transferred to the Company and is a Participant in this Supplemental Plan after such transfer, such employee shall retain no rights in the other supplemental pension plan from which he is transferred and shall receive all benefits to which he is entitled under this Supplemental Plan, based upon his Total Service which shall include as to such employee any service used in determining his benefits under such other supplemental pension plan.

6.2 Transfers to Other Supplemental Plans. If a Participant is transferred to an Affiliate and becomes a participant in a supplemental pension plan of the Affiliate after such transfer, such Participant shall retain no rights in this Supplemental Plan if such other supplemental pension plan has provisions that substantially conform to the transfer provisions for the protection of transferees that are contained in this Article Six.

6.3 No Duplication of Benefits. There shall under no circumstances be any duplication of benefits under this Supplemental Plan or any supplemental pension plan of an Affiliate by reason of the same period of employment.

ARTICLE SEVEN

Optional Pre-Retirement Survivor's Benefit

7.1 Eligibility

(a) General - The Surviving Spouse of a Participant who had at least one Hour of Service after August 22, 1984 and who either (i) terminated Employment due to death prior to his Normal Retirement Date or (ii) (A) terminated Employment other than due to death after his completion of 3 years or 5 years of Continuous Service, whichever is applicable to him as determined under Section 5.1, but prior to the 10-year period immediately preceding his Normal Retirement Date and (B) died prior to the time payment of the supplemental pension credited to such Participant would otherwise have begun pursuant to Section 5.3, shall, except to the extent provided in subsection (b) of this Section 7.1, receive the benefit determined pursuant to Section 7.2

(b) Waiver - The Surviving Spouse of a Participant described in subsection (a) of this Section 7.1 shall not receive that benefit determined pursuant to Section 7.2 if there is in effect, for purposes of Section 8.1 of the Plan, on the date of such Participant's death a waiver with respect to such Participant complying with the requirements of subsection (b) of Section 8.1 of the Plan.

7.2 Benefit -

(a) General - The benefit payable to the Surviving Spouse of a Participant described in Clause "(i)" of subsection (a) of Section 7.1 shall be equal to 50% of the supplemental pension, reduced to the extent required pursuant to subsection (c) of this Section 7.2, such Participant would have received determined, to the extent otherwise applicable, in accordance with Section 3.4 had such Participant received a supplemental pension (i) commencing as of the later of (A) the earliest date on which such Participant's Early Retirement Date could have occurred, had such Participant not died prior thereto, based upon the Total Service actually credited to such Participant, or (B) the first day of the month immediately following the date of such Member's death and (ii) in the form of a 50% Contingent Annuitant Option calculated in accordance with Section 6.3 of the Plan, with his Surviving Spouse as Contingent Annuitant. The benefit payable to the Surviving Spouse of a Participant described in clause "(ii)" of subsection (a) of Section 7.1 shall be equal to 50% of the supplemental pension, reduced to the extent required pursuant to subsection (c) of this Section 7.2, such Participant would have received determined, to the extent otherwise applicable, under Section 5.2 had such Participant commenced receiving a supplemental pension (i) commencing as of the later of (A) the earliest date on which such Participant could have commenced receiving his supplemental pension pursuant to Section 5.2, had such Participant not died prior thereto, based upon the Total Service actually credited to such Participant or (B) the first day of the month immediately following the date of such Participant's death and (ii) in the form of 50% Contingent Annuitant Option, calculated in accordance with Section 6.3 of the Plan, with his Surviving Spouse as Contingent Annuitant.

(b) Timing - The benefit a Surviving Spouse of a Participant shall be entitled to pursuant to subsection (a) of the Section 7.2 shall be paid monthly to such Surviving Spouse, commencing as of the later of (i) the earliest date on which (A) such Member's Early Retirement Date could have occurred or (B) such Participant could have commenced receiving his supplemental pension pursuant to Section 5.2, as the case may be, had such Participant not died prior thereto or (ii) the first day of the month immediately following the date of such Participant's death and shall continue thereafter with the last payment being made on the first day of the month in which the Surviving Spouse dies.

(c) Cost of Benefit - For purposes of determining the benefit payable pursuant to subsection (a) of this Section 7.2 to the Surviving Spouse of a Participant described in subsection (a) of Section 7.1, the supplemental pension such Participant would have received as of the date which is relevant under subsection (a) of this Section 7.2 in determining the amount of the benefit payable to such Surviving Spouse, determined under whichever provisions of the Supplemental Plan would have been applicable with respect to such Participant, shall be reduced by the sum of:

(i) if such Participant had attained at least 55 years of age and completed at least 10 years of Vesting Service (including in such Vesting Service not less than 5 years of Continuous Service) prior to August 23, 1984, 1/24 of 1% for each calendar month or part thereof prior to August 23, 1984 for which such Participant had in effect an election prior to the amendment and restatement of such Article effective as of August 22, 1984 and

(ii) 1/24 of 1% for each calendar month or part thereof subsequent to December 31, 1986 with respect to which a 1/24 of 1% per month reduction is imposed under Article Eight of the Plan in determining the benefit payable to such Surviving Spouse under such Article Eight or would be so imposed under such Article Eight were the number of such Participant's years of Continuous Service under the Plan equal to the number of such Participant's years of Total Service.

7.3 Reduction in Participant's Retirement Pension - Notwithstanding any other provision of the Supplemental Plan to the contrary, a Participant who has at least one Hour of Service after August 22, 1984 shall have such Participant's supplemental pension, determined under whichever provisions of the Supplemental Plan shall be applicable to such Participant, reduced for all purposes of the Supplemental Plan in an amount equal to the reduction which would have occurred under subsection (c) of Section 7.2 with respect to such Participant's supplemental pension had such Participant died on the day immediately preceding the earlier of (i) the date on which such Participant attains age 65, (ii) the date with respect to which payment of the supplemental pension credited to such Participant shall commence or (iii) if such Participant terminates Employment within the 10-year period immediately preceding his Normal Retirement Date, the date such Member terminates Employment.

ARTICLE EIGHT

Administration

8.1 Administration. To the extent herein provided, the Senior Vice President-Human Resources of Union Pacific shall have authority to control and manage the operation and administration of the Supplemental Plan. For purposes of the Supplemental Plan, the Senior Vice President-Human Resources of Union Pacific shall be referred to as the Administrator.

8.2 Responsibilities and Powers of Administrator. Except for the responsibilities and powers elsewhere herein given specifically to the Board of Directors, the Administrator shall have all responsibilities for the operation and administration of the Supplemental Plan and shall have all powers necessary to carry out his responsibilities hereunder. Without limiting the generality of the foregoing, the Administrator shall have the responsibility and power to:

(a) keep and maintain such accounts and records with respect to Participants as he may deem necessary or proper;

(b) determine all questions of the eligibility and of the status and rights of Participants and any other person hereunder and interpret and construe the Supplemental Plan in connection therewith; and,

(c) adopt from time to time mortality and other tables and interest rates upon which all actuarial calculations shall be based, including the determination of the appropriate factors for the adjustment of pension payments.

The Administrator shall carry out all his responsibilities and exercise all his powers in accordance with the terms of the Supplemental Plan. The determination of the Administrator as to any questions involving his responsibilities hereunder shall be conclusive and binding on all persons.

8.3 Certification and Payment of Benefits. The Administrator shall compute the amount and manner of payment of benefits to which the Participants, retired Participants, Surviving Spouses and beneficiaries become entitled. All payments of benefits shall be made directly by the Company upon the instructions of the Administrator.

8.4 Reports to Board of Directors. As he deems necessary or proper or as the Board of Directors may require, but in any event at least once during each calendar year, the Administrator shall report to the Board of Directors on the operation and administration of the Supplemental Plan and on any other matter concerning the Supplemental Plan he deems advisable or required by the Board of Directors.

8.5 Designation and Delegation. The Administrator may designate other persons to carry out such of his responsibilities hereunder for the operation and administration of the Supplemental Plan as he deems advisable and delegate to the persons so designated such of his powers as he deems necessary to carry out such responsibilities. Such designation and delegation shall be subject to such terms and conditions as the Administrator deems necessary or proper. Any action or determination made or taken in carrying out responsibilities hereunder by the persons so designated by the Administrator shall have the same force and effect for all purposes as if such action or determination had been made or taken by the Administrator.

8.6 Outside Services. The Administrator may engage counsel and such clerical, medical, financial, actuarial, accounting and other specialized services as he may deem necessary or desirable for the operation and administration of the Supplemental Plan. The Administrator and persons designated by him under Section 8.5 shall be entitled to rely, and shall be fully protected in any action or determination or omission taken or made or omitted in good faith in so relying, upon any opinions, reports or other advice which is furnished by counsel or their specialist engaged for that purpose.

8.7 Expenses. All expenses, including any fees for outside services under Section 8.6, incurred by the Administrator and by persons designated by him under Section 8.5 in the operation and administration of the Supplemental Plan shall be paid by the Company. Neither the Administrator nor any other person who is an Employee shall receive any compensation solely for services in carrying out any responsibility hereunder.

8.8 Bonding. No bond or other security shall be required of the Administrator or of any person designated by him under Section 8.5.

8.9 Liability. The Administrator and persons designated by him under Section 8.5 shall use ordinary care and diligence in the performance of their duties. The Company shall indemnify the Administrator and each other person designated by him under Section 8.5 against any and all claims, loss, damages, expense (including reasonable counsel fees), and liability arising from any action or failure to act or other conduct in their official capacity, except when the same is due to the gross negligence or willful misconduct of the Administrator or other persons.

ARTICLE NINE

Amendment or Termination

9.1 Amendment or Termination - The Board of Directions reserves the right to modify, alter, amend or terminate the Supplemental Plan from time to time and to modify, withdraw or terminate any pension granted under the Supplemental Plan, to any extent that it may deem advisable; provided, that no such modification, alteration, amendment or termination shall impair any rights which have accrued to Participants hereunder to the date of such modification, alteration, amendment or termination.

ARTICLE TEN

General Provisions

10.1 No Right To Employment. Nothing herein contained shall be deemed to give any Participant the right to be retained in the Employment of the Company or to interfere with the rights of the Company to discharge any Participant at any time.

10.2 Alienability of Benefits. Pension payments under the Supplemental Plan may not be assigned or hypothecated, and to the extent permitted by law, no such payments shall be subject to legal process or attachment for the payment of any claims against any person entitled to receive the same.

10.3 Payment Due an Incompetent. If it shall be found that any person to whom a payment is due hereunder is unable to care for his affairs because of physical or mental disability, as determined by a licensed physician, the Administrator shall have the authority to cause the payments becoming due such person to be made to the legally appointed guardian of any such person or to the spouse, brother, sister, or other person as it shall determine. Payments made pursuant to such power shall operate as a complete discharge of the Company.

10.4 Controlling State Law. The Plan shall be construed, regulated and administered according to the laws of the State of Utah.

10.5 Successors. This Supplemental Plan shall be binding upon any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company in the same manner and to the same extent that the Company would be bound to perform if no such succession had taken place.

ARTICLE ELEVEN

Transfers to Non-Covered Employment

11.1 Notwithstanding any of the provisions of the Supplemental Plan to the contrary, if an executive participating in the Plan is transferred to the employment of a member of the controlled group of corporations of which Union Pacific Corporation is the common parent that has not adopted either the Plan or the Pension Plan for Employees of Union Pacific Resources Company ("non-covered employment"), upon the approval of the Chief Executive Officer of Union Pacific Corporation, any benefits to which such executive would be entitled under the Plan or the Supplemental Plan, or both, by treating such executive's non-covered employment as if it were service covered by such Plans and by aggregating such service with such executive's other service covered by such plans shall be provided to such executive pursuant to the provisions of this Article Eleven to the extent that such benefits exceed such executive's benefits under the Plan, such executive benefits under the Supplemental Plan determined without regard to the provisions of this Article Eleven and such executive benefits under any other pension plan that are based upon such executive benefits under any other pension plan that are based upon such executive's non-covered employment. If any beneficiary would be entitled to any benefits under the Plan or the Supplemental Plan, or both, as a result of treating such executive's non-covered employment as if it were service covered by such Plans and by aggregating such service with such executive's other service covered by such Plans, such benefits shall be provided to such beneficiary pursuant to the provisions of this Article Eleven to the extent that such benefits exceed such beneficiary's benefits under the Plan, such beneficiary's benefits under the Supplemental Plan determined without regard to the provisions of this Article Eleven and such beneficiary's benefits under any other pension plan that are based upon such executive's non-covered employment.

EXHIBIT 10(e)

SUPPLEMENTAL PENSION PLAN

For Exempt Salaried Employees

of

Union Pacific Resources Company

and

Affiliates

(As amended and restated in its entirety
effective as of January 1, 1976, including all
amendments adopted through August, 1993)

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ARTICLE ONE

Scope of Plan and Definitions

1.1 The Prior Supplemental Plan, effective January 1, 1971, and as amended from time to time, shall establish certain rights of certain exempt salaried employees of the Company who retired or otherwise terminated their employment on or after January 1, 1971 and prior to January 1, 1976. The Supplemental Plan, as set forth herein, effective January 1, 1976, and as it may hereafter be amended from time to time, shall establish certain rights of certain exempt employees of the Company who retire or otherwise terminate their employment on or after January 1, 1976. The rights provided for such exempt salaried employees under the Supplemental Plan shall be in addition to, and not in lieu of, the rights, if any, provided to such individuals under the "Pension Plan for Salaried Employees of Union Pacific Corporation and Affiliates," effective January 1, 1990 and as it may thereafter be amended from time to time.

1.2 As used in this Supplemental Plan, the following terms have the meanings set forth below, unless a different meaning is plainly required by the context:

(a) "Administrator" means the Vice President-Benefit Administration of Resources.

(b) "Company" means Union Pacific Resources Company (herein called "Resources") and any Affiliate which is included in the Supplemental Plan by action of the Board of Directors of Resources and such Affiliate.

(c) "Early Supplemental Pension" means the pension provided for in Section 3.3.

(d) "Effective Date" means January 1, 1976.

(e) "Excess Supplemental Pension" means the pension provided for in Section 3.4.

(f) "Incentive Compensation" means Incentive compensation awarded a Participant under the Executive Incentive Plan of Union Pacific Corporation and Subsidiaries, as amended and restated as of January 1, 1981 and as it may thereafter be amended from time to time, but only to the extent that such incentive compensation is not taken into account in computing the Participant's Final Average Earnings under the Plan. Awards of Incentive Compensation shall be taken into account on the accrual basis at the time such awards are made, provided, however, that no more than three awards of Incentive Compensation shall be taken into account for any 36-month period.

(g) "Normal Supplemental Pension" means the pension provided for in Section 3.1.

(h) "Participant" means any employee of the Company who has been designated as a Participant by the Board of Directors.

(i) "Plan" means the "Pension Plan for Salaried Employees of Union Pacific Corporation and Affiliates", effective January 1, 1990, and as it may be hereafter amended from time to time.

(j) "Prior Supplemental Plan" means the "Supplemental Pension Plan for Exempt Salaried Employees of Champlin Petroleum Company" as it existed on December 31, 1975.

(k) "Supplemental Plan" means the "Supplemental Pension Plan for Exempt Salaried Employees of Union Pacific Resources Company and Affiliates" as described herein, and as it may hereafter be amended from time to time; such term shall also include the Prior Supplemental Plan, except where specific reference is made to the Prior Supplemental Plan.

(l) "Surviving Spouse" means the spouse of a Participant who is legally married to the Participant on the date of his death and

(i) where payments to the Participant under the Supplemental Plan have not begun, who was legally married to the Participant continuously during the 12 months immediately preceding the date of the Participant's death, or

(ii) where payments to the Participant under the Supplemental Plan have begun, who was legally married to the Participant continuously during the 12 months immediately preceding the date that such payments began.

(m) "Surviving Spouse's Pension" means the pension provided for in Section 3.5.

(n) "Total Service" means the period of service recognized for Supplemental Plan purposes, as set forth in Section 2.1.

(o) "Vesting Service" means the period of service recognized for Supplemental Plan purposes, as set forth in Section 2.2.

(p) The following terms have the respective meanings set forth in the definition provisions of Section 1.2 of the Plan:

(i) Actuarial Equivalent
(ii) Affiliate
(iii) Continuous Service
(iv) Credited Service
(v) Early Retirement Date
(vi) Early Retirement Pension
(vii) Earnings
viii) Employee
(ix) Employment
(x) Employment Commencement Date
(xi) Final Average Earnings
(xii) Member
(xiii) Normal Retirement Date
(xiv) Normal Retirement Pension
(xv) Postponed Retirement Date
(xvi) Postponed Retirement Pension
(xvii) Retirement Date
(xviii) Year of Service
(xix) Contingent Annuitant
(xx) Hour of Service
(xxi) Retirement Pension

(q) The masculine pronoun wherever the context so indicates shall include the feminine. Wherever any words are used herein in the singular, they shall be construed as though they were also used in the plural in all cases where they shall so apply.

(r) "Board of Directors" means the board of directors of the Company.

ARTICLE TWO

Total Service and Vesting Service

2.1 Total Service (expressed in the years, including portions thereof) shall include:

(a) all years of Credited Service (including portions thereof) as set forth in Article Three of the Plan; and,

(b) such additional years of training, prior to the Participant's Employment Commencement Date or intervening between periods of Employment, as has afforded to the Participant such training as has, in the opinion of the Company, especially qualified him for his position and induced his employment by the Company, but only after, and to the extent that, (i) the Board of Directors has recommended that credit for such additional years be granted, (ii) such recommendation has been approved by the Board of Directors of Union Pacific Corporation, and (iii) the Participant has been notified of such approval (including any such additional years approved under the Prior Supplemental Plan).

2.2 Vesting Service (expressed in years, including portions thereof) shall include:

(a) all years of Continuous Service (including portions thereof) as set forth in Article Two of the Plan; and,

(b) any additional years approved under Section 2.1(b).

ARTICLE THREE

Amount and Payment of Pension

3.1 Normal Supplemental Pension. A Participant retired on his Normal or Postponed Retirement Date will be entitled to receive an additional years of service and/or incentive compensation pension computed as provided in Section 3.3.

3.2 Additional Years of Service and/or Incentive Compensation Pension. A Participant whose Total Service includes additional years under Section 2.1(b) beyond the years of Credited Service recognized under Article Three of the Plan and/or who has been awarded Incentive Compensation within the 10-year period immediately preceding his Retirement Date shall be entitled to an annual additional years of service and/or incentive compensation pension, commencing on his Normal or Postponed Retirement Date, equal to the excess of (i) the annual Normal Retirement Pension computed on the basis of the formula provided in Section 5.1 of the Plan, including in the Participant's Final Average Earnings under such formula the Incentive Compensation awarded such Participant and utilizing all such additional years included in Total Service, but not beyond an aggregate of 40 years of Total Service, over (ii) the annual Normal Retirement Pension determined under Article Five of the Plan without regard, however, to the limitation in Section 5.5 thereof.

3.3 Early Supplemental Pension. A Participant retired on an Early Retirement Date shall be entitled to receive a supplemental pension commencing at Normal Retirement Date, computed in accordance with Section 3.2, based upon Total Service rendered and/or Incentive Compensation awarded prior to his Early Retirement Date. In lieu thereof, such Participant may elect to receive a reduced supplemental pension, commencing on his Early Retirement Date, which is the Normal Supplemental Pension accrued under the Supplemental Plan to his Early Retirement Date multiplied by the early retirement factor determined from the table below (prorated on a monthly basis for fractions of a year).

EARLY RETIREMENT FACTORS

Age on Early Retirement Date	Percentage Factor
55	60
56	65
57	70
58	75
59	80
60	85
61	88
62	91
63	94
64	97

3.4 Excess Supplemental Pension. A Participant whose Normal or Early or Postponed Retirement Pension under the Plan is reduced as a result of the application of the limitation in Section 5.5 of the Plan shall be entitled to a supplemental pension, commencing on his Retirement Date, equal to the amount of such reduction.

3.5 Surviving Spouse's Pension. The Surviving Spouse, if any, of a deceased Participant who dies after retirement on a Postponed, Normal or Early Retirement Date, or while an active Employee after his Normal Retirement Date, shall receive a Surviving Spouse's Pension equal to one-half of the normal form of the supplemental pension payable to such deceased Participant under the Supplemental Plan. Such Surviving Spouse's Pension shall be payable to such Spouse in equal monthly installments for life, commencing on the first day of the month immediately following the death of such Participant. In no event shall the Surviving Spouse who was also designated as the Participant's Contingent Annuitant under the Plan receive more than 100% of the retirement income payable to the Participant under the Contingent Annuitant Option under the Plan.

3.6 Involuntary Termination Supplemental Pension.

(a) In addition to a Normal Supplemental Pension determined under Section 3.1, if the employment of any Participant (i) who is elected officer, and (ii) whose highest annual Earnings (plus Incentive Compensation) is not less than $200,000, is involuntarily terminated prior to the 5th anniversary date of a "change in control" (as hereinafter defined) and prior to his Normal Retirement Date, and if, at the time of such involuntary termination, such Participant has completed 10 or more years of Continuous Service and is within the 10-year period immediately preceding his Normal Retirement Date, such Participant shall be entitled to an Involuntary Termination Supplemental Pension commencing on his Normal Retirement Date, equal to the excess of (i) the Normal Supplemental Pension computed in accordance with Section 3.1, based on Total Service rendered and as projected to be rendered to the 5th anniversary of such change in control (or, if earlier, his Normal Retirement Date) over (ii) the Normal Supplemental Pension determined under Section 3.1. In lieu thereof, such Participant shall, in the event he elects an Early Retirement Date, receive an Involuntary Termination Supplemental Pension commencing on such Early Retirement Date, equal to the excess of (i) the Early Supplemental Pension computed in accordance with Section 3.3, based on Total Service rendered and as projected to be rendered to the 5th anniversary of such change in control (or, if earlier, his Normal Retirement Date) multiplied by the early retirement factor determined from the table set forth in Section 3.3, but based on the Participant's projected age on the 5th anniversary date of such change in control (or, if earlier, his Normal Retirement Date), over (ii) the Early Supplemental Pension determined under Section 3.3.

(b) In addition to any supplemental pension determined under Section 5.2, if the employment of any Participant (other than a Participant described in (a) above (i) who is an elected officer and (ii) whose highest annual Earnings (including Incentive Compensation) is not less than $200,000) is involuntarily terminated prior to the 5th anniversary date of a change in control and prior to his Normal Retirement Date, and if such Participant would have attained age 55 and been credited with at least 15 years of Vesting Service had he continued to be employed to such 5th anniversary date, such Participant shall be entitled to an Involuntary Termination Supplemental Pension commencing on the date his supplemental pension under Section 5.2 commences, equal to the excess of (i) the supplemental pension computed in accordance with Section 5.2, based on Total Service rendered and as projected to be rendered to the 5th anniversary of such change in control (or, if earlier, his Normal Retirement Date), provided that, in the event such Participant elects to receive his supplemental pension commencing on a date prior to his Normal Retirement Date, the Actuarial Equivalent referred to in Section 5.2 shall be based on the Participant's projected age on the 5th anniversary date of such change of control (or, if earlier, his Normal Retirement Date), over (ii) the supplemental pension determined under Section 5.2.

(c) For purposes of this Section 3.6, the term "involuntary termination" means any action taken subsequent to a change in control by Union Pacific Corporation or the Company or any successor to, or assignee of, its obligations under this Supplemental Plan, terminating employment for other than an unlawful act or, without the consent of a Participant, adversely affecting the employment status by reducing earnings or demoting in title, or lessening of authority or responsibilities, or changing the situs of employment which requires a change of resident, of such Participant.

(d) For purposes of this Section 3.6, a change in control shall occur if (i) any person (within the meaning of Section 13(d) of the Securities Exchange Act of 1934 (the "Act")), other than Union Pacific Corporation or a subsidiary of Union Pacific Corporation or any employee benefit plan sponsored by Union Pacific Corporation or a subsidiary of Union Pacific Corporation, shall become the beneficial owner (as such term is defined in Rule 13d-3 under the Act) directly or indirectly of thirty percent or more of the outstanding stock of Union Pacific Corporation (calculated as provided in paragraph (d) of Rule 13d-3 under the Act in the case of rights to acquire common stock), (ii) the shareholders of Union Pacific Corporation shall approve (A) any consolidation or merger of Union Pacific Corporation in which Union Pacific Corporation is not the continuing or surviving corporation or pursuant to which shares of common stock of Union Pacific Corporation would be converted into cash, securities or other property, other than a merger of Union Pacific Corporation in which holders of common stock of Union Pacific Corporation immediately prior to the merger have the same proportionate ownership of common stock of the surviving corporation immediately after the merger as immediately before or (B) any sale, lease, exchange or other transfer (in one transaction or a series of related transactions) of all or substantially all the assets of Union Pacific Corporation or (iii) there shall have been a change in the composition of the Board of Directors of Union Pacific Corporation such that within any period of two consecutive years or less individuals who at the beginning of such period constituted such Board, together with any new directors whose election, or nomination for election by Union Pacific Corporation's stockholders, was approved by a vote of at least two-thirds of the directors then in office who were directors at the beginning of such period, shall for any reason no longer constitute a majority of the directors of Union Pacific Corporation.

(e) In the event any amount paid or benefit otherwise received by a Participant under the Supplemental Plan shall be determined by the Internal Revenue Service to constitute an "excess parachute payment" as such term is defined in Section 280G of the Internal Revenue Code of 1986, as amended (the "Code"), and to be subject to an excise tax under Section 4999 of the Code, or any successor provision thereto (collectively, "Excise Tax"), the Company shall pay to the Participant an additional amount such that after taking into account taxes, including interest and penalties with respect thereto, incurred by the Participant on the receipt of such additional amount, the Participant is left with the same after-tax amount the Participant would have been left with had no Excise Tax been imposed.

3.7 Pre-Termination Age and Service Grant. The pension to which a Participant would otherwise be entitled hereunder shall be redetermined by including in Total Service such additional years as may be approved by the Chief Executive Officer of Union Pacific Corporation prior to termination of Employment or by adding to such Participant's age such additional years as may then be approved by the Chief Executive Officer of Union Pacific Corporation, or both, but not in excess of five years in either case. All rights of a Participant or his beneficiaries hereunder shall be determined on the basis of such additional years.

3.8 Suspension of Benefit. Notwithstanding any provisions of Article Three or Article Five to the contrary, the payment of the supplemental pension to which a Participant is otherwise entitled under the Supplemental Plan shall be suspended during any period for which payment of the Retirement Pension to which such Participant is otherwise entitled under the Plan is suspended under the terms of the Plan due to such Participant's return to Employment. Upon the resumption of payment of such supplemental pension to such Participant, no actuarial or other adjustment shall be made to the amounts otherwise payable to such Participant under the Supplemental Plan so as to reflect such suspension.

ARTICLE FOUR

Manner of Payment

4.1 The supplemental pension to which a Participant is entitled under Section 3.1, 3.3 or 3.4 shall be paid to him in the same form as the manner of payment, if any, in effect for him under Article Six of the Plan.

ARTICLE FIVE

Vesting

5.1 Termination Prior to Vesting. A Participant who terminates his Employment prior to his Early or Normal Retirement Date and prior to his completion of 3 years of Continuous Service shall not be entitled to any of the benefits herein provided. If the Chief Executive Officer of Union Pacific Corporation determines that the requirement set forth in the preceding sentence of the completion of 3 years of Continuous Service would be disadvantageous to the Company in the case of any Participant, such requirement shall be increased to the completion of 5 years of Continuous Service by the Participant. The Chief Executive Officer of Union Pacific Corporation shall make his determination by the date the Participant terminates his Employment.

5.2 Termination after Vesting. Except as provided in Section 6.2, a Participant who terminates his Employment prior to his Normal or Early Retirement Date but after his completion of 3 years or 5 years of Continuous Service, whichever is applicable to him as determined under Section 5.1, shall be entitled to receive, commencing on his Normal Retirement Date, the supplemental pension accrued under the Supplemental Plan to the date he terminated his Employment. In lieu thereof, such Participant may elect to receive such supplemental pension commencing on the first day of any month within the 10-year period preceding his Normal Retirement Date, in which case such supplemental pension shall be the Actuarial Equivalent of the supplemental pension which would have been payable on his Normal Retirement Date, based upon the difference in age between the Participant's age when such supplemental pension is to begin and his Normal Retirement Date.

The immediately preceding paragraph shall not apply in the case of a Participant (i) whose Employment terminates prior to his Normal or Early Retirement Date but after the completion of 10 years of Vesting Service (including in such Vesting Service not less than 5 years of Continuous Service beginning not earlier than a Year of Service in which the Participant attained age 22)(a "Vested Terminee") and (ii) becomes a "Transferred Employee" as such term is defined in the Asset Purchase and Contribution Agreement among Petroleos de Venezuela, S.A., Properchamp, Inc., Union Pacific Corporation, Union Pacific Resources Company, Union Pacific Refining, Inc., and Champlin Refining Company dated as of March 17, 1987. With respect to each Vested Terminee, (i) employment with Champlin Refining Company and the benefit accrued by such individual under all pension plans maintained by Champlin Refining Company such be taken into account in determining the amount of the supplemental pension payable from the Supplemental Plan and (ii) such supplemental pension shall not be payable prior to the earlier of each individual's Normal Retirement Date or the termination of employment with Champlin Refining Company.

Therefore, each Vested Terminee who becomes a Transferred Employee shall be entitled to receive, commencing on his Normal Retirement Date, a supplemental pension equal to the lesser of (i) the supplemental pension accrued under the Supplemental Plan, giving due regard to the provisions of Article Eighteen of the Plan, to the date he terminates Employment or (ii) the amount, if any, by which, determined as of the earlier of such individual's Normal Retirement Date or the date he terminates employment with Champlin Refining Company, (A) the sum of (I) the vested benefit accrued under the Plan computed on the basis of the formula provided in Section 5.1 thereof and (II) the pension referred to in clause "(i)", above, exceeds (B) the sum of (I) the vested benefit accrued under the Plan computed on the basis of the formula provided in Section 5.1 of the Plan and (II) the aggregate vested benefit, payable on such individual's Normal Retirement Date, accrued under all pension plans established by Champlin Refining Company. In lieu thereof, such Vested Terminee may elect to receive his supplemental pension commencing on the first day of any month within the 10-year period preceding his Normal Retirement Date, but not earlier than the first day of the month contemporaneous with or next succeeding the day he terminates employment with Champlin Refining Company, in which case such supplemental pension shall be the Actuarial Equivalent of the supplemental pension, if any, determined pursuant to the immediately preceding sentence, which would have been payable on his Normal Retirement Date, based on the difference in age between such Vested Terminee's age when such supplemental pension is to begin and his Normal Retirement Date.

5.3 Normal Form of Vested Benefit. The supplemental pension credited to a vested terminated Participant shall be paid in equal monthly installments as follows:

(a) if the Participant is married at the time payment is to begin, his supplemental pension shall be paid in the form of a 50% Contingent Annuitant Option calculated in accordance with Section 6.3 of the Plan, with his spouse as Contingent Annuitant.

(b) if the Participant is not married at the time payment is to begin, his supplemental pension shall be in the form of a life income pension, payable in equal installments to him for life.

5.4 Optional Form of Vested Benefit. A vested terminated Participant included in Section 5.3(a) above may elect at any time 90 or more days before payment is to begin to receive his supplemental pension in the form of a life income pension, payable in equal installments for life. If the vested terminated Participant makes such election, no amount shall be payable to his spouse under Section 5.3(a).

ARTICLE SIX

Employee Transfers

6.1 Transfers into Supplemental Plan from Other Supplemental Plans. If any employee who is a participant in any other supplemental pension plan of an Affiliate is transferred to the Company and is a Participant in this Supplemental Plan after such transfer, such employee shall retain no rights in the other supplemental pension plan from which he is transferred and shall receive all benefits to which he is entitled under this Supplemental Plan, based upon his Total Service which shall include as to such employee any service used in determining his benefits under such other supplemental pension plan.

6.2 Transfers to Other Supplemental Plans. If a Participant is transferred to an Affiliate and becomes a participant in a supplemental pension plan of the Affiliate after such transfer, such Participant shall retain no rights in this Supplemental Plan if such other supplemental pension plan has provisions that substantially conform to the transfer provisions for the protection of transferees that are contained in this Article Six.

6.3 No Duplication of Benefits. There shall under no circumstances be any duplication of benefits under this Supplemental Plan or any supplemental pension plan of an Affiliate by reason of the same period of employment.

ARTICLE SEVEN

Pre-Retirement Survivor's Benefit

7.1 Eligibility

(a) General - The Surviving Spouse of a Participant who had at least one Hour of Service after August 22, 1984 and who either (i) terminated Employment due to death prior to his Normal Retirement Date or (ii) (A) terminated Employment other than due to death after his completion of 3 years or 5 years of Continuous Service, whichever is applicable to him as determined under Section 5.1, but prior to the 10-year period immediately preceding his Normal Retirement Date and (B) died prior to the time payment of the supplemental pension credited to such Participant would otherwise have begun pursuant to Section 5.3, shall, except to the extent provided in subsection (b) of this Section 7.1, receive the benefit determined pursuant to Section 7.2.

(b) Waiver - The Surviving Spouse of a Participant described in subsection (a) of this Section 7.1 shall not receive that benefit determined pursuant to Section 7.2 if there is in effect, for purposes of Section 8.1 of the Plan, on the date of such Participant's death a waiver with respect to such Participant complying with the requirements of subsection (b) of Section 8.1 of the Plan.

7.2 Benefit -

(a) General - The benefit payable to the Surviving Spouse of a Participant described in Clause "(i)" of subsection (a) of Section 7.1 shall be equal to 50% of the supplemental pension, reduced to the extent required pursuant to subsection (c) of this Section 7.2, such Participant would have received determined, to the extent otherwise applicable, in accordance with Section 3.3 had such Participant received a supplemental pension (i) commencing as of the later of (A) the earliest date on which such Participant's Early Retirement Date could have occurred, had such Participant not died prior thereto, based upon the Total Service actually credited to such Participant, or (B) the first day of the month immediately following the date of such Member's death and (ii) in the form of a 50% Contingent Annuitant Option, calculated in accordance with Section 6.3 of the Plan, with his Surviving Spouse as Contingent Annuitant. The benefit payable to the Surviving Spouse of a Participant described in clause "(ii)" of subsection (a) of Section 7.1 shall be equal to 50% of the supplemental pension, reduced to the extent required pursuant to subsection (c) of this Section 7.2, such Participant would have received determined, to the extent otherwise applicable, under Section 5.2 had such Participant commenced receiving a supplemental pension (i) commencing as of the later of (A) the earliest date on which such Participant could have commenced receiving his supplemental pension pursuant to Section 5.2, had such Participant not died prior thereto, based upon the Total Service actually credited to such Participant or (B) the first day of the month immediately following the date of such Participant's death and (ii) in the form of 50% Contingent Annuitant Option, calculated in accordance with Section 6.3 of the Plan, with his Surviving Spouse as Contingent Annuitant.

(b) Timing - The benefit a Surviving Spouse of a Participant shall be entitled to pursuant to subsection (a) of the Section 7.2 shall be paid monthly to such Surviving Spouse, commencing as of the later of (i) the earliest date on which (A) such Member's Early Retirement Date could have occurred or (B) such Participant could have commenced receiving his supplemental pension pursuant to Section 5.2, as the case may be, had such Participant not died prior thereto or (ii) the first day of the month immediately following the date of such Participant's death and shall continue thereafter with the last payment being made on the first day of the month in which the Surviving Spouse dies.

(c) Cost of Benefit - For purposes of determining the benefit payable pursuant to subsection (a) of this Section 7.2 to the Surviving Spouse of a Participant described in subsection (a) of Section 7.1, the supplemental pension such Participant would have received as of the date which is relevant under subsection (a) of this Section 7.2 in determining the amount of the benefit payable to such Surviving Spouse, determined under whichever provisions of the Supplemental Plan would have been applicable with respect to such Participant, shall be reduced by the sum of:

(i) if such Participant had attained at least 55 years of age and completed at least 10 years of Vesting Service (including in such Vesting Service not less than 5 years of Continuous Service) prior to August 23, 1984, 1/24 of 1% for each calendar month or part thereof prior to August 23, 1984 for which such Participant had in effect an election pursuant to Article Seven as in effect prior to the amendment and restatement of such Article effective as of August 22, 1984 and

(ii) 1/24 of 1% for each calendar month or part thereof subsequent to December 31, 1986 with respect to which a 1/24 of 1% per month reduction is imposed under Article Eight of the Plan in determining the benefit payable to such Surviving Spouse under such Article Eight or would be so imposed under such Article Eight were the number of such Participant's years of Continuous Service under the Plan equal to the number of such Participant's years of Total Service.

7.3 Reduction in Participant's Retirement Pension - Notwithstanding any other provision of the Supplemental Plan to the contrary, a Participant who has at least one Hour of Service after August 22, 1984 shall have such Participant's supplemental pension, determined under whichever provisions of the Supplemental Plan shall be applicable to such Participant, reduced for all purposes of the Supplemental Plan in an amount equal to the reduction which would have occurred under subsection (c) of Section 7.2 with respect to such Participant's supplemental pension had such Participant died on the day immediately preceding the earlier of (i) his Normal Retirement Date (ii) the date with respect to which payment of the supplemental pension credited to such Participant shall commence or (iii) if such Participant terminates Employment within the 10-year period immediately preceding his Normal Retirement Date, the date such Member terminates Employment.

ARTICLE EIGHT

Administration

8.1 Administration. To the extent herein provided, the Vice President-Benefit Plan Administrator of Resources shall have authority to control and manage the operation and administration of the Supplemental Plan. For purposes of the Supplemental Plan, the Vice President-Benefit Plan Administrator of Resources shall be referred to as the Administrator.

8.2 Responsibilities and Powers of Administrator. Except for the responsibilities and powers elsewhere herein given specifically to the Board of Directors, the Administrator shall have all responsibilities for the operation and administration of the Supplemental Plan and shall have all powers necessary to carry out his responsibilities hereunder. Without limiting the generality of the foregoing, the Administrator shall have the responsibility and power to:

(a) keep and maintain such accounts and records with respect to Participants as he may deem necessary or proper;

(b) determine all questions of the eligibility and of the status and rights of Participants and any other person hereunder and interpret and construe the Supplemental Plan in connection therewith; and,

(c) adopt from time to time mortality and other tables and interest rates upon which all actuarial calculations shall be based, including the determination of the appropriate factors for the adjustment of pension payment.

The Administrator shall carry out all his responsibilities and exercise all his powers in accordance with the terms of the Supplemental Plan. The determination of the Administrator as to any questions involving his responsibilities hereunder shall be conclusive and binding on all persons.

8.3 Certification and Payment of Benefits. The Administrator shall compute the amount and manner of payment of benefits to which the Participants, retired Participants, Surviving Spouses and beneficiaries become entitled. All payments of benefits shall be made directly by the Company upon the instructions of the Administrator.

8.4 Reports to Board of Directors. As he deems necessary or proper or as the Board of Directors may require, but in any event at least once during each calendar year, the Administrator shall report to the Board of Directors on the operation and administration of the Supplemental Plan and on any other matter concerning the Supplemental Plan he deems advisable or required by the Board of Directors.

8.5 Designation and Delegation. The Administrator may designate other persons to carry out such of his responsibilities hereunder for the operation and administration of the Supplemental Plan as he deems advisable and delegate to the person so designated such of his powers as he deems necessary to carry out such responsibilities. Such designation and delegation shall be subject to such terms and conditions as the Administrator deems necessary or proper. Any action or determination made or taken in carrying out responsibilities hereunder by the persons so designated by the Administrator shall have the same force and effect for all purposes as if such action or determination had been made or taken by the Administrator.

8.6 Outside Services. The Administrator may engage counsel and such clerical, medical, financial, actuarial, accounting and other specialized services as he may deem necessary or desirable for the operation and administration of the Supplemental Plan. The Administrator and persons designated by him under Section 8.5 shall be entitled to rely, and shall be fully protected in any action or determination or omission taken or made or omitted in good faith in so relying, upon any opinions, reports or other advice which is furnished by counsel or their specialist engaged for that purpose.

8.7 Expenses. All expenses, including any fees for outside services under Section 8.6, incurred by the Administrator and by persons designated by him under Section 8.5 in the operation and administration of the Supplemental Plan shall be paid by the Company. Neither the Administrator nor any other person who is an Employee shall receive any compensation solely for services in carrying out any responsibility hereunder.

8.8 Bonding. No bond or other security shall be required of the Administrator or of any person designated by him under Section 8.5.

8.9 Liability. The Administrator and persons designated by him under Section 8.5 shall use ordinary care and diligence in the performance of their duties. The Company shall indemnify the Administrator and each other person designated by him under Section 8.5 against any and all claims, loss, damages, expense (including reasonable counsel fees), and liability arising from any action or failure to act or other conduct in their official capacity, except when the same is due to the gross negligence or willful misconduct of the Administrator or other person.

ARTICLE NINE

Amendment or Termination

9.1 Amendment or Termination - The Board of Directors reserves the right to modify, alter, amend or terminate the Supplemental Plan from time to time and to modify, withdraw or terminate any pension granted under the Supplemental Plan, to any extent that it may deem advisable; provided, that no such modification, alteration, amendment or termination shall impair any rights which have accrued to Participants hereunder to the date of such modification, alteration, amendment or termination. No amendment to the Supplemental Plan adopted by the Board of Directors shall become effective, however, until the same has been assented to by the Board of Directors of Union Pacific Corporation.

ARTICLE TEN

General Provisions

10.1 No Right To Employment. Nothing herein contained shall be deemed to give any Participant the right to be retained in the service of the Company or to interfere with the rights of the Company to discharge any Participant at any time.

10.2 Alienability of Benefits. Pension payments under the Supplemental Plan may not be assigned or hypothecated, and to the extent permitted by law, no such payments shall be subject to legal process or attachment for the payment of any claims against any person entitled to receive the same.

10.3 Payment Due an Incompetent. If it shall be found that any person to whom a payment is due hereunder is unable to care for his affairs because of physical or mental disability, as determined by a licensed physician, the Administrator shall have the authority to cause the payments becoming due such person to be made to the legally appointed guardian of any such person or to the spouse, brother, sister, or other person as it shall determine. Payments made pursuant to such power shall operate as a complete discharge of the Company.

10.4 Controlling State Law. The Supplemental Plan shall be construed, regulated and administered according to the laws of the State of Texas.

10.5 Successors. This Supplemental Plan shall be binding upon any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company in the same manner and to the same extent that the Company would be bound to perform if no such succession had taken place.

ARTICLE ELEVEN

Transfers to Non-Covered Employment

11.1 Notwithstanding any of the provisions of the Supplemental Plan to the contrary, if an executive participating in the Plan is transferred to the employment of a member of the controlled group of corporations of which Union Pacific Corporation is the common parent that has not adopted either the Plan or the Pension Plan for Employees of Union Pacific Resources Company ("non-covered employment"), upon the approval of the Chief Executive Officer of Union Pacific Corporation, any benefits to which such executive would be entitled under the Plan or the Supplemental Plan, or both, by treating all or any of such executive's non-covered employment as if it were service covered by such Plans and by aggregating such service with such executive's other service covered by such plans shall be provided to such executive pursuant to the provisions of this Article Eleven to the extent that such benefits exceed such executive's benefits under the Plan, such executive benefits under the Supplemental Plan determined without regard to the provisions of this Article Eleven and such executive benefits under any other pension plan that are based upon such executive's non-covered employment. If any beneficiary would be entitled to any benefits under the Plan or the Supplemental Plan, or both, as a result of treating such executive's non-covered employment as if it were service covered by such Plans and by aggregating such service with such executive's other service covered by such Plans, such benefits shall be provided to such beneficiary pursuant to the provisions of this Article Eleven to the extent that such benefits exceed such beneficiary's benefits under the Plan, such beneficiary's benefits under the Supplemental Plan determined without regard to the provisions of this Article Eleven and such beneficiary's benefits under any other pension plan that are based upon such executive's non-covered employment.

UNION PACIFIC CORPORATION AND SUBSIDIARY COMPANIES

COMPUTATION OF EARNINGS PER SHARE

For the Years Ended December 31, 1993, 1992 and 1991
(Thousands of Dollars, Except Per Share Amounts)

	1993	1992	1991
Weighted average number of shares outstanding...	204,854	203,248	201,431
Average shares issuable on exercise of stock options less shares repurchasable from proceeds..................................	660	635	592
Weighted average number of shares used in computation of earnings per share..........	205,514	203,883	202,023
Income before cumulative effect of changes in accounting principles.........................	$705,357	$728,217	$ 63,559(b)
Cumulative effect to January 1, 1993 of changes in accounting principles......................	(175,226)(a)	--	--
Net Income.....................................	$530,131	$728,217	$ 63,559(b)
Earnings per share:			
Income before cumulative effect of changes in accounting principles.......................	$ 3.43	$ 3.57	$ 0.31(b)
Cumulative effect to January 1, 1993 of changes in accounting principles...........	(0.85)(a)	--	--
Net Income...................................	$ 2.58	$ 3.57	$ 0.31(b)

(a) See Note 2 to the Financial Statements regarding the 1993 accounting changes.

(b) See Note 3 to the Financial Statements regarding the 1991 special charge.

Exhibit 12

UNION PACIFIC CORPORATION AND SUBSIDIARY COMPANIES
RATIO OF EARNINGS TO FIXED CHARGES
(Thousands of Dollars, Except for Ratio)

	1993	1992	1991	1991 Excluding Special Charge (c)	1990	1989
Earnings from continuing operations (a)	$ 705,357	$ 728,217	$ 63,559	$ 638,559	$ 618,138	$ 594,505
Add (deduct) distributions greater (to extent less) than income of unconsolidated affiliates	(33,847)	(23,188)	(25,189)	(25,189)	(11,878)	(15,491)
Total	671,510	705,029	38,370	613,370	606,260	579,014
Income taxes (b):						
Federal	421,806	372,922	48,183	343,183	334,351	298,684
State and local	27,815	3,972	11,906	11,906	20,531	9,009
Total	449,621	376,894	60,089	355,089	354,882	307,693
Fixed charges:						
Interest expense including amortization of debt discount	324,018	359,575	388,286	388,286	380,243	368,535
Portion of rentals representing an interest factor	44,443	43,948	46,281	46,281	43,362	15,783
Total	368,461	403,523	434,567	434,567	423,605	384,318
Earnings available for fixed charges	$1,489,592	$1,485,446	$ 533,026	$1,403,026	$1,384,747	$1,271,025
Fixed charges - as above	$ 368,461	$ 403,523	$ 434,567	$ 434,567	$ 423,605	$ 384,318
Interest capitalized	10,973	8,504	6,293	6,293	3,483	6,952
Total	$ 379,434	$ 412,027	$ 440,860	$ 440,860	$ 427,088	$ 391,270
Ratio of earnings to fixed charges	3.9	3.6	1.2	3.2	3.2	3.2

(a) Before cumulative effect of changes in accounting principles of $175,226 in 1993 (See Note 2 to the Financial Statements).

(b) In 1993, Income taxes include the impact of the adoption of SFAS 109, "Accounting for Income Taxes", and the effect of the Omnibus Budget Reconciliation Act of 1993 (See Notes 2 and 7 to the Financial Statements).

(c) See Note 3 to the Financial Statements.

COVER

EXHIBIT 13

Pages 14 through 45, inclusive, and the system map contained on the inside back cover from Union Pacific's Annual Report to Stockholders for the year ended December 31, 1993, but excluding photographs set forth on pages 14 through 22, which do not supplement the text and are not otherwise required to be disclosed in this Form 10-K.

REVIEW OF OPERATIONS
Union Pacific Railroad

	1993	1992	1991(a)
Operating Revenues (millions of dollars)	$4,987	$4,897	$4,776
Operating Income (millions of dollars)	$1,042	$1,031	$ 190
Carloadings (thousands)	4,619	4,458	4,304
Operating Ratio	79.1	79.0	96.0

(a) Excluding the 1991 special charge, Operating Income and the Operating Ratio would have been $935 million and 80.4, respectively (see Note 3 to the Financial Statements).

(Two photographs, not incorporated by reference - see prefacing comment on Exhibit 13 Cover Page.)

Union Pacific Railroad achieved strong earnings in the face of the worst natural disasters to strike it in nearly 125 years. Excluding the accounting adjustments, net income would have been $669 million, compared to $667 million in 1992.

Severe snowstorms struck western segments of the system in January and February, requiring the use of the company's rotary snowplow on the mainline for the first time since 1949. The record flood knocked out the heart of the Railroad's track, adversely affecting traffic throughout the system. Then, with many levees still decimated, portions of UPRR's track along the Mississippi River were flooded again when heavy rains came in October.

Despite this devastation, the Railroad increased its carloadings 4 percent and maintained its operating ratio below 80 percent for the second year in a row.

Major Thrusts in 1993-94

Several programs launched in 1993 will strengthen Union Pacific in 1994, particularly in the most promising growth areas of Mexico, intermodal and coal.

The North American Free Trade Agreement should bolster most traffic categories. Union Pacific's shipments to Mexico were down slightly in 1993 but had been growing at double-digit rates and are expected to resume that pace for the rest of the decade. The Railroad's three major gateways into Mexico make it the pre-eminent carrier in this increasingly open market.

Another key to UPRR's growth is its expanding network of "partnerships" with major U.S. trucking companies, particularly those in the long-haul truckload business. These shipping arrangements have enhanced Union Pacific's market share in several key commodities and have maximized the use of the Railroad's equipment, generating substantial gains in intermodal traffic and promising more for the remainder of the decade.

In October, UPRR began hauling low-sulfur coal from the Powder River Basin in eastern Wyoming to Georgia Power's Plant Scherer in central Georgia--the largest contract for delivery east of the Mississippi River. This 1,800-mile haul on Union Pacific and two other railroads is the nation's longest unit-train coal run. The new contract is expected to add approximately 5 million tons to UP's coal shipments in 1994. This and other new contracts promise to provide continued improvement in energy revenues.

To support continued growth, as well as to enhance service reliability, the Railroad has embarked on several key expansion programs. Its triple-track project on the Nebraska mainline will improve the company's major traffic corridor. This corridor carries nearly 110 trains a day--the busiest in the world. In addition, intermodal expansions are under way at Memphis, Seattle and Stockton, California, while the state-of-the-art Livonia, Louisiana yard began operating in early 1994, speeding traffic throughout the lower Mississippi Valley. For Mexico, construction of a new double-track bridge connecting Union Pacific's Laredo intermodal yard with the Mexican Railway should be under way within a year.

(Two photographs, not incorporated by reference - see prefacing comment on Exhibit 13 Cover Page.)

Realigning for the Future

Late in the year the Railroad realigned its marketing and operating departments into seamless business units organized along major commodity lines. Aimed at increasing customer focus, this structure makes marketing, operating and financial people jointly responsible for customer satisfaction, quality and profitability.

Another major development was completing negotiations for through-freight, conductor-only operations on the entire system. By year-end 1993, nearly all through-freight trains were operated by two-person crews. This change--combined with national work rule changes authorized by Presidential Emergency Boards 219 and 220--will continue to generate substantial future savings. In late 1993, Union Pacific began negotiating on the west end of the system for the right to operate yard and local trains with two-person crews.

	1993	1992	1991(a)
Operating Revenues (millions of dollars)	$1,323	$1,259	$1,091
Operating Income (millions of dollars)	$ 382	$ 315	$ 259
Total Reserves (MMBOE) (b)	445.4	441.5	437.3
Total Production (MMBOE) (b)	69.6	67.0	60.5

(a) Excluding the 1991 special charge, Operating Income would have been $314 million (see Note 3 to the Financial Statements).
(b) Natural gas converted to millions of barrels of oil equivalent on a ratio of 6:1.

(Photograph, not incorporated by reference - see prefacing comment on Exhibit 13 Cover Page.)

During 1993 Union Pacific Resources achieved record production and record revenues, while increasing its reserves for the sixth straight year. These increases were achieved with 15 percent fewer employees. Excluding the accounting adjustments, earnings would have risen to $309 million from $272 million in 1992.

Equally important, Resources took several steps in 1993 to ensure continued growth. A 1992 reorganization that created profit centers has led to significant cost savings, improved efficiencies and increased emphasis on profitability.

Exploration successes were encouraging, with discoveries in northeast British Columbia, the eastern Austin Chalk and offshore Gulf of Mexico. Reserve additions in 1993 were approximately 60 million barrels of oil equivalent--a direct result of the company's leading-edge oil field technology.

Land Grant Production

Nearly 40 percent of Resources' production came from the company's Land Grant acreage in Wyoming, Utah and Colorado. Resources has been drilling aggressively in the Greater Green River Basin in western Wyoming, which contains significant natural gas reserves. During the last two years, through innovative completion and design technology, Resources has reduced average well costs in this area from $1.4 million to $800,000. These lower costs should dramatically increase future drilling opportunities.

In western Wyoming, Resources is completing construction of the Wahsatch Gathering System, which will allow the company to tap up to 55 million cubic feet of gas per day that previously could not be produced and processed.

As part of its program in the Land Grant, the company is arranging to drill at least 300 wells with an industry partner in the Wattenberg area of Colorado over the next three years. In addition, Resources became a 34 percent partner in a processing plant in the Wamsutter area of Wyoming.

(Photograph, not incorporated by reference - see prefacing comment on Exhibit 13 Cover Page.)

Austin Chalk

The Austin Chalk formation in south-central Texas and Louisiana continues to be highly productive. The company participated in the drilling of 266 horizontal wells in 1993. Of these wells, 45 were dual laterals, which typically tap two zones, and 60 were opposing laterals, which tap zones in opposite directions. During the year Resources drilled its first quad lateral well, which draws from four separate areas in a formation. Applying this technology dramatically reduces the average cost of reserve additions.

Austin Chalk production reached an average of 66,600 barrels of oil equivalent per day in 1993, a 13 percent increase over 1992. Most of the production was from the Giddings Field in south-central Texas. Resources also extended its acreage into eastern Texas and Louisiana and now controls more than one million acres throughout the area.

Because of its expertise in horizontal drilling, its understanding and application of sophisticated recovery techniques and its success in reducing drilling costs, Resources believes it can continue to extend the productive limits of this highly successful trend.

East Texas

During 1993 Resources strengthened its leadership as a processor and gatherer of natural gas in East Texas. It increased its ownership to 88 percent in three key East Texas assets: the East Texas gas plant, the Carthage Hub and the Panola Pipeline, adding value through vertical integration.

In addition, the company initiated a number of related expansion projects. Construction began on a new 88 percent-owned plant that will increase gas processing capacity by 120 million cubic feet per day. An extension to the Panola Pipeline will expand capacity to transport natural gas liquids to Mt. Belvieu, Texas, the center of the natural gas liquids market.

The company is continuing to develop reserves in the Gulf of Mexico, bringing on two fields in 1993. It currently has interests in 19 platforms in the Gulf, 14 of which are company-operated.

In Canada, the company is successfully developing two exploration plays in northeast British Columbia. Resources has an interest in more than 115,000 acres in this area. Seismic and other field analyses indicate that the potential for future discoveries is very promising.

Over 25 percent of Resources' operating income came from its mineral operations, which mine and process coal and natural soda ash in the Land Grant area. Minerals also earn royalties on lands leased to others.

(Photograph, not incorporated by reference - see prefacing comment on Exhibit 13 Cover Page.)

REVIEW OF OPERATIONS
Overnite Transportation

	1993	1992	1991(a)
Operating Revenues (millions of dollars)	$ 939	$ 873	$ 800
Operating Income (millions of dollars)	$ 69	$ 57	$ 19
Operating Ratio	90.2	90.9	95.1

(a) Excluding the 1991 special charge, Operating Income and Operating Ratio would have been $44 million and 91.9, respectively (see Note 3 to the Financial Statements).

(Photograph, not incorporated by reference - see prefacing comment on Exhibit 13 Cover Page.)

Overnite Transportation had an excellent operating performance in 1993 despite a highly competitive pricing environment and a sluggish first half. Excluding the accounting adjustments and before goodwill amortization, net income would have increased to a record $65 million from $60 million in 1992.

Overnite achieved all-time highs in total tonnage and less-than-truckload (LTL) traffic, reflecting the company's aggressive marketing programs. Overall volume was up 4 percent, with LTL traffic up 7 percent. Average price levels increased and service standards improved in several key traffic lanes. Overnite's operating ratio of 90.2 percent remained the lowest among the top five LTL carriers. The company also invested a record $80 million, primarily to expand its service center network, to acquire more than 600 tractors and 1,800 trailers, and to launch its centralized customer service and billing center in Richmond.

Aggressive Marketing

The company really hit its stride in the second half of 1993, with double-digit growth in four of its five regions--led by a 23 percent gain in the Northeast. Niteliner service, which provides next-day delivery, and Fastbreak, which focuses on 48-hour delivery on longer-distance, major-market lanes, increased tonnage both within and between regions. With geographic coverage reaching 95 percent of the country's population, Overnite can deliver across the street, across the state or across the country.

Logistical partnerships helped generate tonnage increases and greatly expanded services with many major customers. These partnerships are the future of trucking, and Overnite has been a leader in the field. The company has placed representatives on-site in several customers' facilities, creating a seamless relationship by solving transportation problems. Customers of all sizes are tying into the company's expanding electronic network.

(Photograph, not incorporated by reference - see prefacing comment on Exhibit 13 Cover Page.)

New Technology

At the core of these partnerships is Overnite's growing sophistication in technology. In August, 1993, with assistance from UP Technologies, the company began converting its 166 service centers to its centralized customer service and billing systems in Richmond. Bills of lading at each service center are electronically scanned into the system every night, thereby expediting invoices, improving billing accuracy and creating an electronic document library for customer service. Overnite will complete the centralization of these operations during 1994.

Next target: the front line. In 1994, Overnite will test a fully integrated dispatching, yard management, dock management, and time tracking system in pilot service centers. Hand-held computers with integrated scanners and computer dock-planning models will facilitate trailer positioning and freight-loading sequencing. Such advanced technology should ensure maximum use of equipment and manpower, enabling Overnite to improve its own effectiveness while providing its customers with accurate, real-time, freight movement information.

	1993	1992	1991(a)
Operating Revenues (millions of dollars)	$236	$262	$251
Operating Income (Loss) (millions of dollars)	$ (5)	$ 8	$(19)

(a) Excluding the 1991 special charge, Operating Income would have been $6 million (see Note 3 to the Financial Statements).

Hazardous waste volumes were significantly below industry expectations in 1993 because of the slow economic recovery, industry's reluctance to commit funds to cleanups and the regulatory uncertainty caused by the new administration in Washington. As a result, revenues were down $26 million to $236 million. Nonetheless, USPCI managed to break even before goodwill amortization of $9 million.

Contracts for disposal of non-hazardous waste were somewhat better. USPCI is the sole provider of non-hazardous waste disposal services for 131 automotive plants in the United States and five in Mexico. To fulfill this major long-term contract, USPCI has dedicated substantial capacity at its Echo Mountain landfill in Sawyer, North Dakota. The hazardous waste from the automotive plants is sent to USPCI's landfills in Waynoka, Oklahoma and Tooele County, Utah. Five railroads, including the Union Pacific, and a network of trucking companies haul the waste materials to USPCI's facilities.

USPCI transported demolition debris from a Burbank, California, assembly plant to its jointly-owned East Carbon Development Corporation (ECDC) landfill in central Utah, using the Union Pacific Railroad. After being unloaded by ECDC's highly efficient rotary dumping equipment, the gondola cars are cleaned for hauling other products back to Los Angeles. This high utilization of equipment allows ECDC to market quality service at attractive rates to other customers.

JTM, USPCI's successful ash management company, is under contract with Reynolds Metals Company to market the non-hazardous by-product of Reynolds' patented spent potliner treatment process.

At Clive, Utah, the startup of the hazardous waste incinerator has been delayed until late 1994 because of necessary permit modifications and USPCI's comprehensive testing program.

(Photograph, not incorporated by reference - see prefacing comment on Exhibit 13 Cover Page.)

REVIEW OF OPERATIONS

Skyway Freight Systems

Skyway--the newest member of the Union Pacific family--is a multi-faceted logistics and transportation company headquartered in Watsonville, California. At any given hour, Skyway may be rushing a critical part for a customer by charter jet, moving an entire warehouse by stack train, running a distribution center, assembling and testing computers, or developing a comprehensive transportation and logistics strategy based on state-of-the-art information management. In a nutshell, the company specializes in customized logistical support tailored to the needs of its customers across the country.

In 1993, Skyway earned a record $5 million before goodwill amortization and also reported record revenues of over $100 million, reflecting an annual average growth rate of approximately 30 percent for the past three years. The company has several innovative programs that are expected to further expand its business. Skyway's in-transit merge and distribution services streamline product delivery and save costs on cross-country shipping. The company's next-flight-out service helps customers meet critical delivery requirements on high-value parts. And its catalog warehouse inventory and distribution program--with Skyway employees handling the entire delivery cycle for catalog sales companies--adds a new dimension to its logistics business.

Major investments in updated technologies and facilities generated improved projects and services in 1993:

Several new terminals were added, such as Skyway's state-of-the-art Sacramento, California facility and the Raleigh, North Carolina terminal, plus nine customer facilities--all operated by Skyway employees.

New information technologies now facilitate electronic communications with more customers and allow sales representatives to access up-to-the-minute information on shipments by telephone, enabling Skyway's people to keep pace with evolving customer needs.

(Photograph, not incorporated by reference - see prefacing comment on Exhibit 13 Cover Page.)

Union Pacific Technologies

Union Pacific Technologies develops sophisticated computer software for the corporation's operating companies and aggressively pursues research in new technologies. The company also has expanded the scope of its commercial activities outside of Union Pacific.

Technologies continues to assist the Ferrocarriles Nacionales de Mexico (FNM), the national railway of Mexico, with the installation of computer software similar to that used by Union Pacific Railroad. During 1993, Technologies installed a new yard management system at FNM's 17 largest yards. The system maintains an inventory of freight cars in each yard and generates switching instructions for the assembly of outbound trains.

(Photograph, not incorporated by reference - see prefacing comment on Exhibit 13 Cover Page.)

Technologies also helped the FNM upgrade its central computer facility in Mexico City. Over the past two years, the FNM has more than doubled the capacity of its computers, which are now electronically linked with the Association of American Railroads' computer systems. This allows for a detailed exchange of information on trains and shipments moving across the U.S.-Mexico border.

Domestically, Technologies continued with the implementation of the advanced train control work order system on the Union Pacific Railroad. Nearly 1,700 of Union Pacific's locomotives have been equipped with on-board computers capable of receiving and sending car pickup and placement information, and over 5,000 conductors have been trained in their use. By 1995, all of Union Pacific's trains will be equipped with on-board computers.

At Overnite, Technologies is assisting with the installation of a centralized billing system that uses imaging and other leading-edge systems. Technologies also modified USPCI's Facilities Information Management System (FIMS) for use at its new incinerator in Clive, Utah. FIMS tracks shipments from arrival through treatment and disposal.

Technologies' commercial sales continue to grow. The Shipment Management Service, the industry benchmark for shipment tracking, is the company's fastest growing commercial product. More than 100 companies subscribe to this service.

FINANCIAL REVIEW

Consolidated Results of Operations

This review should be read in conjunction with the financial statements, notes and supplementary information.

1993 Compared to 1992

Consolidated: In the first quarter of 1993, Union Pacific Corporation (the Corporation) recorded a $175 million after-tax or $0.85 per share charge to reflect the adoption of new Financial Accounting Standards Board (FASB) pronouncements as described in Note 2 to the Financial Statements. In the third quarter, the Corporation recorded a $61 million or $0.30 per share charge reflecting a deferred tax adjustment that resulted from the Omnibus Budget Reconciliation Act of 1993 (the 1993 Tax Act) (see Note 7 to the Financial Statements). The components of these accounting adjustments are as follows:

In Millions, Except
Per Share Amounts

	Income (Loss) before Accounting Adjustments	Accounting Changes	1993 Tax Act	Net Income (Loss)
Railroad	$ 669	$ (72)	$ (57)	$ 540
Natural resources	309	(59)	(6)	244
Trucking	42	(79)	(1)	(38)
Waste management	(9)	--	1	(8)
Corporate services and other operations	(245)	35	2	(208)
Consolidated	$ 766	$ (175)	$ (61)	$ 530
Per share	$3.73	$(0.85)	$(0.30)	$ 2.58

As a result of the accounting adjustments, the absence of Union Pacific Resources Company's (Resources) $63 million ($42 million after-tax) 1992 production-based tax settlement and the 1993 effects of weather-related traffic interruptions on the operations of Union Pacific Railroad Company and its affiliate Missouri Pacific Railroad Company (collectively the Railroad), the Corporation's earnings declined to $530 million ($2.58 per share) in 1993 compared to $728 million ($3.57 per share) a year ago. Excluding accounting adjustments, the Corporation's earnings would have risen to $766 million ($3.73 per share). Income, excluding accounting adjustments, would have improved at all operating units except USPCI, Inc. (USPCI).

(Graph of Union Pacific Corporation Operating Revenues - see Appendix)

Operating revenues advanced 4% to $7.56 billion in 1993 from $7.29 billion a year ago. Revenues advanced on the strength of growing transportation volumes, rising average natural gas prices, a 5% increase in hydrocarbon sales volumes and the acquisition of Skyway Freight Systems, Inc. (Skyway) (see Note 5 to the Financial Statements).

Operating expenses rose $183 million to $6.07 billion compared to $5.89 billion in 1992. Equipment and other rents increased $52 million and fuel and utility costs rose $21 million due to higher transportation volumes and weather-related traffic interruptions at the Railroad. Depreciation charges increased $40 million, reflecting asset adjustments required by the first quarter adoption of SFAS No. 109 (Accounting for Income Taxes) and the Corporation's continued high level of capital investment, offset by lower surrendered lease activity and dry hole costs at Resources. Other taxes rose $39 million, resulting from the absence of 1992 tax settlements at Resources and the Railroad, while third party transportation costs increased $30 million mainly due to the acquisition of Skyway. In addition, weather-related inefficiencies and volume growth caused wage and benefit costs to escalate $19 million, and materials and supplies $13 million. Higher hydrocarbon sales volumes and prices caused the cost of pipeline and gas plant product purchased for resale to rise $15 million. Operating cost inflation was tempered by efficiency and productivity improvements at the Railroad and Resources and the absence of Resources' $24 million 1992 workforce reduction charge. Operating income improved 6% to $1.49 billion in 1993 compared to $1.40 billion a year ago as gains occurred at all operating units except USPCI.

(Graph of Union Pacific Corporation Operating Income - see Appendix)

Other income declined $57 million largely due to the absence of interest related to Resources' 1992 tax settlement and diminished property sales. Interest expense also declined $36 million reflecting lower average interest rates and debt refinancing activities, while corporate expenses rose $9 million due to higher professional fees and depreciation charges. Net income--excluding accounting adjustments--as a percentage of operating revenues would have been 10.1% in 1993 and 10.0% in 1992. On the same basis, return on average common stockholders' equity would have declined to 15.7% in 1993 from 16.5% a year ago.

Railroad: The Railroad posted earnings of $540 million in 1993. Excluding the 1993 accounting adjustments, earnings would have been $669 million (before considering the effects of the harsh winter and Midwest flooding) compared to $667 million in 1992. Operating revenues improved 2% to $4.99 billion as a 4% increase in carloadings was partially offset by a 2% decline in average revenue per car. This decline resulted from volume growth of lower-rated commodities--mainly intermodal and energy--and growth of lower-rated goods within chemicals, as well as increased use of shipper-owned equipment for coal shipments. Revenues also included higher earnings from equity investments in related operations. Automotive carloadings advanced 8%, reflecting improvements in the domestic auto industry. Energy carloadings also grew 8% because of an expanding domestic customer base and higher demand created by more normal temperature patterns. Intermodal traffic improved 6% as market share continued to expand reflecting new partnership arrangements with trucking companies. In addition, chemical carloadings increased 1%, while weather-related traffic interruptions and crop damage caused grain carloadings to decline 2%. Carloading declines also occurred in food, consumer and government products (2%) and in metals, minerals and forest products (1%).

Operating expenses increased to $3.95 billion this year from $3.87 billion in 1992. Depreciation expense grew $54 million reflecting asset adjustments required by the 1993 adoption of SFAS No. 109 and continuing capital spending on equipment and track. Employee injury expense rose $29 million as continuing declines in the number of injuries were more than offset by higher settlement costs per injury. Growing volumes and weather-related traffic congestion accounted for a $25 million rise in equipment and other rents and a $17 million increase in fuel and utility costs. Wage and benefit costs also rose $6 million as weather and inflation-related cost increases were largely offset by train crew reductions. Higher operating costs were tempered by a $23 million reduction in joint facility costs and an additional $22 million of cost offsets associated with car repairs for other carriers.

Operating income at the Railroad rose $11 million in 1993 to $1.04 billion. Despite severe weather conditions, the Railroad maintained an operating ratio of 79.1 in 1993 compared to 79.0 a year ago.

Natural Resources: Resources' 1993 earnings were $244 million. Without the 1993 accounting adjustments, earnings would have risen $37 million (14%) to $309 million compared to $272 million a year ago, despite the absence of the 1992 production-based tax settlement. Operating revenues climbed $64 million (5%) to $1.32 billion in 1993 as a result of a 5% rise in total hydrocarbon sales volumes, higher average natural gas prices and pipeline volume growth. Natural gas sales volumes grew 7% to 619 mmcf/day, reflecting production improvements in the Austin Chalk and the southwestern Wyoming portion of the Land Grant. Natural gas liquids sales volumes were up 10% to 39,855 bbl/day, largely because of increased production in the Austin Chalk, the return to operation of a damaged pipeline, increased ownership in the Carthage gas processing plant and improved recoveries under processing agreements, while crude oil sales volumes held steady at 66,456 bbl/day. Including hedging activities, natural gas average prices advanced 20% to $1.82/mcf (an increase of $0.30/mcf), while crude oil prices fell $1.56/bbl (9%) to $15.66/bbl. Average prices for natural gas liquids also declined 8% to $9.84/bbl. Once again, Resources improved its reserve position, despite rising production levels, as it remained the most active driller in the United States.

Operating expenses declined to $941 million in 1993 from $944 million a year ago. Surrendered lease costs decreased $33 million because of accelerated lease surrender activity in 1992. Wage and benefit costs declined $24 million stemming from the absence of Resources' 1992 workforce reduction charge and ongoing productivity improvements. Insurance and other settlements in 1993 lowered other operating costs $12 million. Mining costs declined $9 million due to lower operating costs stemming from the ongoing effects of a favorable 1992 contract settlement at Resources' joint venture coal mine. In addition, dry hole costs decreased $8 million reflecting improved exploration success. These cost reductions were largely offset by volume-related cost increases. Depreciation and depletion charges rose $21 million reflecting higher production levels and higher per barrel rates in the Chalk. Increased exploration activities generated a $17 million expansion in geological and geophysical costs. In addition, production and other taxes rose $28 million caused by the absence of the 1992 tax settlement and growing volumes, while higher volumes and prices caused the cost of pipeline and gas plant product purchases to increase $15 million.

Operating income for all of Resources' operations improved $67 million (21%) to $382 million in 1993. Other income declined $17 million, mainly due to the absence of the interest portion of the 1992 tax settlement.

Operating income from Resources' minerals operations declined $9 million (8%) in 1993 to $102 million. This decline was the result of the absence of a favorable uranium contract settlement recognized in 1992 and volume and price declines at its soda ash joint venture. These declines were partially offset by the ongoing effects of a favorable 1992 contract settlement at Resources' coal joint venture.

Trucking: Overnite Transportation Company (Overnite) recorded a net loss of $38 million in 1993. Without the 1993 accounting adjustments, earnings would have improved $2 million to $42 million (after goodwill amortization of $23 million). Operating revenues rose $66 million (8%) to $939 million as a 3%

rise in average prices combined with a 4% volume improvement. Higher volumes were generated by a 7% increase in less-than-truckload (LTL) business (driven by tonnage gains in the Northeast--reflecting the recent bankruptcy of a major regional carrier--and continued business expansion). Higher LTL volumes were partially offset by truckload traffic declines reflecting Overnite's focus on its core LTL business. Revenue growth was also stimulated by the 1993 addition of the Special Services Division, which supports the Railroad's automotive traffic.

Operating expenses increased $54 million to $870 million for the year. Salaries, wages and employee benefit costs grew $28 million in response to higher volumes and inflation. Equipment and other rents rose $15 million, largely because of increased contracted rail usage and volume-related growth in line-haul charges, while continued capital spending caused depreciation expense to rise $6 million. Operating income improved to $69 million this year from $57 million in 1992. Overnite's operating ratio, excluding goodwill amortization, improved to 90.2 from 90.9 in 1992.

Waste Management: In 1993, USPCI recorded a loss of $8 million (after goodwill amortization of $9 million and a $1 million benefit from the 1993 accounting adjustments) compared to break-even results a year ago. Operating revenues declined ($26 million or 10%) to $236 million for the year as disposal, remediation and transportation volumes fell in response to weak market demand and uncertainty over Federal environmental policies. Operating expenses declined $13 million to $241 million, largely the result of volume-related reductions in outside hauling costs as well as the positive effects of administrative restructuring. USPCI's operating loss was $5 million in 1993 compared to operating income of $8 million in 1992.

Corporate Services and Other Operations: Expenses related to Corporate Services and Other Operations--which include corporate expenses, interest expense, other income and income taxes that are not related to other segments, and the results of Skyway and other operating units--totaled $208 million in 1993. Excluding the accounting adjustments, these costs would have been $245 million compared to $251 million in 1992. This decline was largely the result of lower interest expense and improved results at other operations, partially offset by higher corporate expenses. Operating income from other operations improved $7 million to $1 million in 1993, reflecting the addition of Skyway.

1992 Compared to 1991

The Corporation's consolidated net income was $728 million in 1992, compared to $64 million in 1991. Excluding the 1991 special charge (see Note 3 to the Financial Statements), net income would have improved $89 million (14%) over 1991's earnings of $639 million. Earnings per share for 1992 were $3.57, up from $0.31 in 1991, and would have risen $0.41 (13%) over 1991's $3.16 per share excluding the special charge.

Revenues advanced $265 million (4%) to $7.29 billion as increases at all operating companies more than compensated for a $108 million decline from curtailed operations at Union Pacific Realty Company (Realty).

(Graph of Union Pacific Corporation Revenues Per Employee - see Appendix)

Consolidated operating expenses for 1992 were $5.89 billion, a decrease of $679 million from 1991. Without the 1991 special charge, operating expenses would have risen $191 million. Depreciation, depletion and amortization increased $161 million because of exploration and production activity at Resources and the Corporation's continuing high level of capital expenditures. Salaries, wages and employee benefits expense increased $82 million, reflecting volume growth, inflation and reinstatement of incentive compensation accruals, offset by savings from continued cost containment and productivity improvement programs, including the implementation of new train crew size agreements. Partially offsetting these increases were a $40 million reduction in other taxes, resulting from a production-based tax settlement at Resources and property tax settlements at the Railroad, and a $70 million decline relating to diminished Realty operations.

The Corporation's 1992 operating income rebounded to $1.40 billion from $461 million in 1991. Excluding the 1991 special charge, operating income would have improved $74 million (6%) over 1991's $1.33 billion, principally reflecting improvements at the Railroad and Overnite, countered by curtailed operations at Realty. Other income rose $24 million, as interest income included in Resources' tax settlement was offset by reduced gains from property dispositions. Interest expense declined $28 million, reflecting lower interest rates, while corporate expenses increased $7 million. Net income as a percentage of operating revenues improved to 10.0% for 1992 from 9.1% in 1991 excluding the special charge. On the same basis, return on average stockholders' equity improved to 16.5% in 1992 from 14.2% in 1991.

Railroad: The Railroad improved earnings to $667 million in 1992 compared to $110 million in 1991. Excluding the 1991 special charge, earnings would have advanced $65 million (11%). Operating income increased to $1.03 billion from $190 million in 1991. Without the special charge, operating income would have risen $96 million (10%) from $935 million in 1991. The Railroad's operating ratio continued to improve,

declining to 79.0 from 80.4 in 1991 (excluding the special charge), reflecting productivity improvements arising from the 1991 Presidential Emergency Board (PEB) settlement.

Revenues improved $121 million (3%) to $4.90 billion, as a 4% rise in carloadings was partly offset by a 1% decline in average revenue per car caused by traffic mix shifts, principally the growth of intermodal shipments. Automotive carloadings rose 15%, resulting from strong improvements in both parts and assembled auto traffic, while intermodal shipments were up 9% reflecting growth from both new and existing customers. In addition, metals, minerals and forest traffic rose 6% as a result of higher construction market demand, and grain increased 6% relating to expanding export markets. Other carloading increases occurred in chemicals (2%) and food, consumer and government products (1%). Energy traffic decreased 5% reflecting weak coal demand from utilities, the result of unusually mild weather and the absence of 1991 test burn activities.

Operating expenses declined $720 million to $3.87 billion in 1992. Excluding the 1991 special charge, operating expenses would have increased $25 million. Equipment and other rent expense rose $28 million relating to volume growth, and depreciation increased $15 million as a result of the Railroad's continuing capital program. In addition, outside hauling costs resulting from growth in intermodal traffic rose $6 million. Offsetting these increases were a $22 million decline in other taxes, reflecting favorable property tax settlements and a $16 million decrease in materials and supplies costs. Productivity improvements and cost containment programs continued, with salaries, wages and employee benefits increasing only $3 million as savings stemming from the 1991 PEB settlement negated increases relating to inflation and volume growth. In addition, fuel costs rose only $2 million as improvements in the consumption rate combined with lower fuel prices to offset a 4% increase in gross ton-miles.

Natural Resources: Resources' net income improved to $272 million from $207 million in 1991. Excluding the 1991 special charge, net income would have risen $29 million (12%). Operating income of $315 million improved $56 million, but would have remained essentially flat without the 1991 special charge. Results for 1992 include a favorable one-time $63 million ($42 million after-tax) production-based tax settlement and a $24 million ($16 million after-tax) charge relating to a workforce reduction program.

Revenues climbed $168 million to $1.26 billion, as a 9% increase in total sales volumes and higher average prices for natural gas more than compensated for price declines for crude oil and plant products. Sales volumes were again strengthened by expanded horizontal drilling activity in the Austin Chalk in southeastern Texas. Crude oil sales volumes rose 21% to 66,500 bbl/day and natural gas sales volumes improved 8% to 576 mmcf/day; however, plant products sales volumes dipped 5% to 36,300 bbl/day, reflecting a temporary decline caused by a pipeline disruption. Including hedging activity, average sales prices for natural gas improved 9% over 1991 to $1.52/mcf, while average prices for crude oil slipped 6% to $17.22/bbl and average prices for plant products dropped 10% to $10.67/bbl. Resources increased its hydrocarbon reserve position slightly through its drilling programs, primarily in the Austin Chalk and the Land Grant, despite the strong increase in total 1992 production.

Operating expenses increased $112 million to $944 million for 1992, but would have risen $167 million without the 1991 special charge. Depreciation, depletion and amortization rose $147 million reflecting expanded production levels, higher rates for new wells, property write-offs and accelerated lease surrender activity. In addition, the cost of pipeline and gas plant product purchased for resale increased $22 million, resulting from higher volumes. Also included in operating expenses is $24 million relating to a 15% workforce reduction program. These cost increases were partially mitigated by the production-based tax settlement, which contributed to a $17 million reduction in other taxes.

Other income increased $27 million in 1992, principally because of $39 million in interest income included in the production-based tax settlement, offset by the absence of a $13 million gain from 1991 surface rights sales.

Resources' minerals operations recorded operating income of $111 million in 1992, an 8% gain over 1991's $103 million, reflecting improvements in sales volumes and average prices at its coal joint venture.

Trucking: Overnite earned $40 million in 1992, up from $13 million in 1991, including $20 million of goodwill amortization. Excluding the 1991 special charge, 1992 earnings would have been up $10 million. Operating income improved to $57 million compared to $19 million in 1991, and would have risen $13 million over the prior year excluding the 1991 special charge. Overnite's operating ratio, excluding the 1991 special charge and goodwill amortization, improved to 90.9 compared to 91.9 in 1991.

Despite the sluggish economy, revenues increased $73 million (9%) to $873 million as a 3% improvement in average prices combined with a 6% rise in total volumes. The volume increase included a 9% advance in tonnage for Overnite's core LTL business, reflecting increased market penetration and an expanding customer base. Operating expenses were up $35 million to $816 million, and would have risen $60 million without the 1991 special charge. Salaries, wages and employee benefits expense increased $43 million as a result of inflation and increased employee levels required to handle volume gains, while the remaining expense increase was primarily volume-related, including $6 million for increased use of contracted rail transportation.

Waste Management: USPCI broke even in 1992 compared to a net loss of $20 million in 1991, including $9 million of goodwill amortization. Excluding the 1991 special charge, USPCI's results would have been $3 million better than the previous year. Operating income was $8 million, up from an operating loss of $19 million in 1991. Excluding the special charge, operating income would have improved $2 million over 1991.

Revenues increased $11 million (4%) to $262 million as remediation, treatment and ash management operations improved. Operating expenses fell $16 million from 1991 to $254 million. Without the 1991 special charge, operating expenses would have risen $9 million, as outside disposal costs and contracted transportation expense increased $10 million.

Corporate Services and Other Operations: Consolidated net income also included after-tax expense of $251 million in 1992 and $246 million in 1991 relating to Corporate Services and Other Operations. Corporate Services expense declined $18 million from 1991, as lower interest expense on corporate debt, reduced stock appreciation rights expense and the absence of the administrative portion of the 1991 special charge more than offset increased incentive compensation costs. However, reduced Realty earnings negated this improvement, causing a $5 million increase in overall expense. A $6 million operating loss was recognized in 1992 from other operations, while 1991 results included $12 million of operating income, representing Realty's sales activity countered by the 1991 special charge.

Cash Flows, Liquidity and Capital Resources

Cash from operations declined $97 million in 1993 to $1.56 billion. This decline resulted from a $232 million increase from changes in working capital, partially offset by a $51 million decline in cash used for special charges, a $40 million rise in depreciation expense and a $38 million improvement in earnings excluding the non-cash accounting adjustments.

(Graph of Union Pacific Corporation Dividend History - see Appendix)

Cash used in investing activities increased to $1.55 billion (an increase of $206 million compared to a year ago) reflecting a $195 million reduction in proceeds from property sales, the acquisition of Skyway and additional investments in Chicago and North Western Holdings Corporation (see Note 5 to the Financial Statements). The Corporation will continue its high level of capital spending in 1994. At Resources, spending will be focused on drilling in the Austin Chalk and exploitation of the Land Grant, as well as expanding Resources' production base. The Railroad will continue to expand its high-density main lines and acquire and upgrade equipment to meet customer needs. Overnite will continue to expand its distribution network, and upgrade its truck fleet and technology. Capital spending at USPCI will be reduced in 1994 as the Clive incinerator nears completion.

Major financings in 1993 included $57 million of Railroad equipment financings, $515 million of additional commercial paper and $330 million of the Corporation's notes and debentures. Debt financings were used to fund capital expenditures, repay maturing debt and to call $350 million of notes with higher than market interest rates. In 1993, the Corporation also entered into a new credit facility (see Note 8 to the Financial Statements). The quarterly common stock dividend was raised to $0.40 per share in the third quarter of 1993, up from $0.37 per share. The Corporation's ratio of debt to capital employed improved to 35.6% at December 31, 1993 compared to 36.9% at December 31, 1992. This improvement resulted from an increase in debt discount due to the adoption of SFAS No. 109, increased deferred taxes caused by the 1993 Tax Act and the inclusion of 1993 earnings, partially offset by higher debt levels.

The Corporation's 1994 capital expenditures and debt service requirements will be funded primarily through cash generated from operations, property sales and, if required, through debt financings. The Corporation expects that such sources will continue to provide sufficient funds to meet cash requirements in the foreseeable future. At December 31, 1993, the Corporation had authorization from the Board of Directors to repurchase up to $359 million of the Corporation's common stock. At year-end, the Corporation had available $475 million in short-term credit facilities and $800 million in revolving credit facilities expiring through 1998.

(Graph of Union Pacific Corporation Capital Investments - see Appendix)

Railroad-Related Matters

Employees of the Railroad who are injured in work-related accidents are compensated under the Federal Employers' Liability Act (FELA). FELA's finding of fault and damage is

usually assessed based on litigation or out-of-court settlements. Although the number of injury claims has continued to decline, settlement cost per claim has increased, causing annual expense to rise from $125 million in 1991 and 1992 to $154 million in 1993. The Railroad is continuing its efforts to contain these costs through aggressive training programs, improving safety in work areas, working with injured employees, and by participating in an industry-wide effort to replace FELA with a no-fault system. These efforts could significantly reduce personal injury costs while maintaining fair and equitable compensation to injured employees.

Accounting Pronouncements

The FASB has issued Statement No. 112, "Employers' Accounting for Postemployment Benefits" and Statement No. 115, "Accounting for Certain Investments in Debt and Equity Securities." Both Statements will be effective by January 1994. Statement No. 112 requires employers to recognize the obligation to provide benefits to former or inactive employees after employment but prior to retirement. Statement No. 115 creates new reporting classifications for investments in debt and certain equity securities. The Corporation has evaluated these Statements and has determined that the Statements will not have a significant effect on the Corporation.

Other Matters

Environmental Costs: The Corporation generates, transports, remediates and disposes of hazardous and non-hazardous waste in its current and former operations. It is engaged in reducing emissions, spills and migration of hazardous materials, and spent $16 million and $12 million in 1993 and 1992, respectively, for control and prevention. Remediation of sites previously used in operations, used by tenants or contaminated by former owners required spending of $42 million in 1993 and $39 million in 1992. In 1994, it anticipates spending $7 million for control and prevention, and $42 million for remediation. The Corporation had accrued $181 million at December 31, 1993 for future remediation costs; however, the ultimate cost could be lower or as much as 50% higher. Future remediation obligations should not have a material impact on the results of operations or financial condition of the Corporation.

Inflation: The cumulative effect of long periods of inflation has significantly increased asset replacement costs for capital-intensive companies such as the Railroad and Overnite. As a result, depreciation charges on an inflation-adjusted basis, assuming that all operating assets are replaced at current price levels, would be substantially greater than historically reported amounts.

A Look Forward

General Economic Factors: The Corporation's future results can be affected by fluctuations in oil and natural gas prices and by the economic environment. Resources directly benefits from increases in hydrocarbon prices, inclusive of hedging activity, while the Railroad and Overnite can be adversely affected by increases in diesel fuel costs, to the extent that such costs are not recovered through higher revenues and improved fuel conservation or mitigated by hedging activity. In addition, certain categories of rail carloadings and trucking tonnages can be negatively impacted by a prolonged economic downturn.

(Graph of Union Pacific Corporation Year-End Closing Stock Price - see Appendix)

1994 Outlook: Rail volumes are anticipated to improve in 1994 because of new coal contracts, growing intermodal market share, expanding traffic with Mexico, improving demand for finished autos and general economic expansion, while average revenue per car is expected to remain at 1993 levels. Sales volumes at Resources are expected to improve, while commodity price volatility is expected to continue. Resources' volume growth will reflect an expansion in natural gas and natural gas liquids sales volumes resulting from production increases in the Austin Chalk and the Land Grant in Wyoming, Utah and Colorado. Future oil and gas reserve additions will come from exploration, development of existing properties and acquisitions. The Corporation's continuing strategy is to evaluate potential reserve acquisitions, which could result in significant transactions. Overnite anticipates improvements in the current pricing environment and continued tonnage growth. Higher volumes at Overnite will be generated by continued growth in the Northeast and Midwest, and expansion in the West. At USPCI, depressed market conditions caused by regulatory uncertainty, the ongoing delay of remediation activities, and the recent restructurings by several major industry participants have caused the Corporation to begin a re-evaluation of USPCI's business environment and prospects.

Wilmington Sale: Negotiations are under way to sell the Corporation's Wilmington, California, oil field and related facilities to the Port of Long Beach, California, for cash and notes. The sale, including a provision for retained environmental and other liabilities, is expected to result in an after-tax gain. The sale of these operations will not significantly affect the Corporation's future operating results and is expected to be completed later in 1994.

Independent Auditors' Report

Union Pacific Corporation, its Directors and Stockholders:

We have audited the accompanying statements of consolidated financial position of Union Pacific Corporation and subsidiary companies as of December 31, 1993 and 1992, and the related statements of consolidated income, changes in common stockholders' equity, and consolidated cash flows for each of the three years in the period ended December 31, 1993. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of Union Pacific Corporation and subsidiary companies at December 31, 1993 and 1992, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 1993 in conformity with generally accepted accounting principles.

As discussed in Note 2 to the consolidated financial statements, in January 1993, the Corporation changed its method of accounting for postretirement benefits other than pensions, income taxes and transportation revenue and expense recognition.

/s/Deloitte & Touche

New York, New York
January 20, 1994

Responsibilities for Financial Statements

The accompanying financial statements, which consolidate the accounts of Union Pacific Corporation and its subsidiaries, have been prepared in conformity with generally accepted accounting principles.

The integrity and objectivity of data in these financial statements and accompanying notes, including estimates and judgements related to matters not concluded by year-end, are the responsibility of management as is all other information in this Annual Report. Management devotes ongoing attention to review and appraisal of its system of internal controls. This system is designed to provide reasonable assurance, at an appropriate cost, that the Corporation's assets are protected, that transactions and events are recorded properly and that financial reports are reliable. The system is augmented by a staff of corporate traveling auditors supplemented by internal auditors in the subsidiary operating companies; careful attention to selection and development of qualified financial personnel; programs to further timely communication and monitoring of policies, standards and delegated authorities; and evaluation by independent public accountants during their audits of the annual financial statements.

The Audit Committee of the Board of Directors, composed entirely of outside directors, as identified on page 47, meets regularly with financial management, the corporate auditors and the independent public accountants to review the work of each. The independent public accountants and corporate auditors have free access to the Audit Committee, without management representatives present, to discuss the results of their audits and their comments on the adequacy of internal controls and the quality of financial reporting.

/s/Drew Lewis
Chairman and Chief Executive Officer

/s/L. White Matthews III
Executive Vice President-Finance

/s/Charles E. Billingsley
Vice President and Controller

BUSINESS SEGMENTS

Union Pacific Corporation and Subsidiary Companies

	Millions of Dollars	1993	1992	1991
Operating Revenues	Railroad	$ 4,987	$ 4,897	$ 4,776
	Natural resources	1,323	1,259	1,091
	Trucking	939	873	800
	Waste management	236	262	251
	Corporate services and other operations	76	3	111
	Total	$ 7,561	$ 7,294	$ 7,029
Operating Income (Loss)(Note 3)	Railroad	$ 1,042	$ 1,031	$ 190
	Natural resources	382	315	259
	Trucking	69	57	19
	Waste management	(5)	8	(19)
	Corporate services and other operations	1	(6)	12
	Total	$ 1,489	$ 1,405	$ 461
Income (Loss) before Accounting Adjustments (Notes 2 and 7)(a)	Railroad	$ 669	$ 667	$ 110
	Natural resources	309	272	207
	Trucking	42	40	13
	Waste management	(9)	--	(20)
	Corporate services and other operations	(245)	(251)	(246)
	Total	$ 766	$ 728	$ 64
Cash from Operations	Railroad	$ 1,074	$ 999	$ 910
	Natural resources	567	776	554
	Trucking	44	100	116
	Waste management	21	42	44
	Corporate services and other operations	(143)	(257)	(232)
	Total	$ 1,563	$ 1,660	$ 1,392
Assets (at Year-End)	Railroad	$10,014	$ 9,397	$ 9,002
	Natural resources	2,246	2,061	1,962
	Trucking	1,393	1,350	1,319
	Waste management	802	693	632
	Corporate services and other operations	546	597	411
	Total	$15,001	$14,098	$13,326
Depreciation, Depletion and Amortization	Railroad	$ 443	$ 389	$ 374
	Natural resources	410	435	287
	Trucking	58	51	51
	Waste management	31	32	31
	Corporate services and other operations	7	2	5
	Total	$ 949	$ 909	$ 748
Capital Expenditures	Railroad	$ 805	$ 767	$ 621
	Natural resources	507	552	427
	Trucking	80	72	40
	Waste management	114	109	97
	Corporate services and other operations	14	25	6
	Total	$ 1,520	$ 1,525	$ 1,191

(a) Accounting adjustments consist of the cumulative effect of changes in accounting principles and the deferred tax effect of the Omnibus Budget Reconciliation Act of 1993.

This information should be read in conjunction with the accompanying accounting policies and notes to the financial statements.

STATEMENT OF CONSOLIDATED INCOME

Union Pacific Corporation and Subsidiary Companies

	Millions of Dollars, Except Per Share Amounts	1993	1992	1991
Operating Revenues	Sales and Revenues (Notes 2 and 4)	$ 7,561	$ 7,294	$ 7,029
Operating Expenses	Salaries, wages and employee benefits	2,535	2,516	2,434
	Depreciation, depletion and amortization	949	909	748
	Equipment and other rents	590	538	495
	Fuel and utilities	506	485	488
	Materials and supplies	403	390	409
	Other costs	1,089	1,051	1,124
	Special charge (Note 3)	--	--	870
	Total	6,072	5,889	6,568
Income	Operating Income	1,489	1,405	461
	Other Income - Net (Note 13)	89	146	122
	Interest Expense (Note 8)	(324)	(360)	(388)
	Corporate Expenses	(99)	(90)	(83)
	Income before Income Taxes and the Cumulative Effect of Accounting Changes	1,155	1,101	112
	Income Taxes (Notes 2 and 7)	(450)	(373)	(48)
	Income before Cumulative Effect of Changes in Accounting Principles	705	728	64
	Cumulative Effect to January 1, 1993 of Changes in Accounting Principles (Note 2)	(175)	--	--
	Net Income	$ 530	$ 728	$ 64
Per Share	Income before Cumulative Effect of Changes in Accounting Principles	$ 3.43	$ 3.57	$ 0.31
	Cumulative Effect to January 1, 1993 of Changes in Accounting Principles	(0.85)	--	--
	Net Income	2.58	3.57	0.31
	Dividends	1.54	1.42	1.305

The accompanying accounting policies and notes to the financial statements are an integral part of these statements.

STATEMENT OF CONSOLIDATED FINANCIAL POSITION

Union Pacific Corporation and Subsidiary Companies

	Millions of Dollars	1993	1992
Assets			
Current Assets	Cash and temporary investments	$ 113	$ 245
	Accounts receivable	651	575
	Inventories	252	244
	Deferred income taxes (Notes 2 and 7)	117	151
	Other current assets	249	166
	Total	1,382	1,381
Investments	Investments in and advances to affiliated companies (Note 5)	455	417
	Other investments	170	187
	Total	625	604
Properties	Cost (Notes 6 and 8)	17,860	16,385
	Accumulated depreciation, depletion and amortization	(6,419)	(5,785)
	Net	11,441	10,600
Other	Intangible and Other Assets - Net	1,553	1,513
	Total Assets	$15,001	$14,098
Liabilities and Stockholders' Equity			
Current Liabilities	Accounts payable	$ 477	$ 523
	Accrued wages and vacation	253	242
	Dividends and interest	176	177
	Income and other taxes	162	176
	Accrued casualty costs	135	135
	Debt due within one year	115	110
	Restructuring reserve (Note 3)	107	177
	Other current liabilities	664	544
	Total	2,089	2,084
Other Liabilities and Equity	Debt Due After One Year (Notes 8 and 9)	4,069	3,989
	Deferred Income Taxes (Notes 2 and 7)	2,676	2,376
	Retiree Benefits Obligation (Notes 2 and 10)	599	175
	Restructuring Reserve (Note 3)	50	204
	Other Long-Term Liabilities (Note 12)	633	631
	Common Stockholders' Equity (page 34)	4,885	4,639
	Total Liabilities and Stockholders' Equity	$15,001	$14,098

The accompanying accounting policies and notes to the financial statements are an integral part of these statements.

STATEMENT OF CONSOLIDATED CASH FLOWS

Union Pacific Corporation and Subsidiary Companies

	Millions of Dollars	1993	1992	1991
Cash from Operations	Net Income	$ 530	$ 728	$ 64
	Non-cash charges to income:			
	Depreciation, depletion and amortization	949	909	748
	Deferred income taxes	320	217	(58)
	Cumulative effect of changes in accounting principles (Note 2)	175	--	--
	Special charge (Note 3)	--	--	870
	Other non-cash charges	(141)	(105)	(290)
	Changes in current assets and liabilities	(128)	104	116
	Cash used for special charges	(142)	(193)	(58)
	Cash from operations	1,563	1,660	1,392
Investing Activities	Capital investments and exploratory expenditures	(1,574)	(1,567)	(1,231)
	Investments and acquisitions (Note 5)	(75)	(71)	--
	Proceeds from sale of assets and other investing activities	96	291	94
	Cash used for investing activities	(1,553)	(1,347)	(1,137)
Equity and Financing Activities	Dividends paid	(309)	(282)	(257)
	Debt repaid (Note 8)	(753)	(677)	(373)
	Purchase of treasury stock (Note 11)	(10)	(5)	--
	Financings	930	752	350
	Cash used in equity and financing activities	(142)	(212)	(280)
	Net Change in Cash and Temporary Investments	$ (132)	$ 101	$ (25)
Changes in Current Assets and Liabilities	Accounts receivable	$ (76)	$ (59)	$ 29
	Inventories	(8)	(22)	21
	Other current assets	(49)	(31)	12
	Accounts, wages and vacation payable	(35)	143	64
	Other current liabilities	40	73	(10)
	Total	$ (128)	$ 104	$ 116

The accompanying accounting policies and notes to the financial statements are an integral part of these statements.

STATEMENT OF CHANGES IN COMMON STOCKHOLDERS' EQUITY

Union Pacific Corporation and Subsidiary Companies

	Millions of Dollars	1993	1992	1991
Common Stock	Common Stock, $2.50 par value (authorized 500,000,000 shares)			
	Balance at beginning of year (229,774,547 issued shares in 1993; 228,410,296 in 1992; 126,182,132 in 1991)	$ 574	$ 571	$ 315
	Conversions, exercises of stock options and other (1,013,628 shares in 1993; 1,364,251 in 1992; 1,032,780 in 1991)	3	3	3
	Stock split (101,195,384 shares in 1991) (Note 11)	--	--	253
	Balance at end of year (230,788,175 issued shares in 1993; 229,774,547 in 1992; 228,410,296 in 1991)	577	574	571
Paid-in Surplus	Balance at beginning of year	1,339	1,288	1,235
	Conversions, exercises of stock options and other	44	51	53
	Balance at end of year	1,383	1,339	1,288
Retained Earnings	Balance at beginning of year	4,338	3,899	4,353
	Net Income	530	728	64
	Total	4,868	4,627	4,417
	Dividends declared:			
	Cash dividends	(315)	(289)	(265)
	Stock split (Note 11)	--	--	(253)
	Exchangeable note conversion (Note 8)	(24)	--	--
	Balance at end of year (Note 8)	4,529	4,338	3,899
Treasury Stock	Balance at end of year, at cost (25,626,946 shares in 1993; 25,879,742 in 1992; 25,566,455 in 1991)	(1,604)	(1,612)	(1,595)
	Total Common Stockholders' Equity (Note 11)	$ 4,885	$ 4,639	$ 4,163

The accompanying accounting policies and notes to the financial statements are an integral part of these statements.

NOTES TO FINANCIAL STATEMENTS

SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation
The consolidated financial statements include the accounts of Union Pacific Corporation (the Corporation) and all subsidiaries. Investments in affiliated companies (20% to 50% owned) are accounted for on the equity method. In addition, the Corporation consolidates its proportionate share of oil, gas and mineral ventures. All material intercompany transactions are eliminated.

Cash and Temporary Investments
Temporary investments are stated at cost that approximates fair market value, and consist of investments with original maturities of three months or less.

Accounts Receivable
Union Pacific Railroad Company has sold, on a revolving basis, an undivided percentage ownership interest in a designated pool of accounts receivable. Collection risk on the pool of receivables is minimal. At December 31, 1993 and 1992, accounts receivable are presented net of the $300 million of receivables sold.

Inventories
Inventories consist primarily of materials and supplies carried at the lower of cost or market.

Exploration and Production
Oil and gas exploration costs are accounted for using the successful efforts method.

Drilling costs of unsuccessful exploratory wells, geological and geophysical costs and carrying costs are charged to expense when incurred. Costs to develop producing properties, including drilling costs and applicable leasehold acquisition costs, are capitalized.

Depletion and amortization of producing properties, including depreciation of well and support equipment and amortization of related lease costs, are determined by using a unit-of-production method based upon proved reserves. Acquisition costs of unproved properties are amortized from the date of acquisition on a composite basis, which considers past success experience and average lease life.

Property and Depreciation
Properties are carried at cost. Provisions for depreciation are computed principally on the straight-line method based on estimated service lives of depreciable property.

The cost (net of salvage) of depreciable rail property retired or replaced in the ordinary course of business is charged to accumulated depreciation. A gain or loss is recognized on all other property upon disposition.

The Corporation capitalizes interest and certain labor costs on significant construction projects during construction.

Intangible Assets
Intangible and Other Assets in 1993 and 1992 include $1.32 billion and $1.29 billion, respectively, of costs in excess of net assets of acquired businesses. Amortization is generally recorded over forty years on a straight-line basis. The Corporation regularly assesses the recoverability of costs in excess of net assets of acquired businesses through a review of cash flows and fair values of those businesses.

Revenue Recognition
Transportation revenues are recognized on a percentage-of-completion basis, while delivery costs are recognized as incurred (see Note 2).

Hedging Transactions
The Corporation periodically hedges hydrocarbon sales and purchases, and interest rates. Gains and losses from these transactions are recognized at delivery of the commodity or over the life of the instrument (see Note 4).

Earnings Per Share
Earnings per share are based on the weighted average number of common shares outstanding during the periods, plus shares issuable upon exercise of outstanding stock options (see Note 11).

Change in Presentation
Certain 1991 and 1992 amounts have been reclassified to conform to the 1993 financial presentation.

1. Business
The Corporation consists of companies operating principally in the United States engaged in rail transportation; oil, gas and minerals production; trucking; and waste management.

The following financial information is an integral part of these financial statements:

Business Segments
Supplementary Information (unaudited)
Selected Quarterly Data;
Oil and Gas -- Proved Reserves;
Capitalized Exploration and Production Costs;
Costs Incurred in Exploration and Development;
Results of Operations for Producing Activities; and
Standardized Measure of Cash Flows

2. Accounting Changes

The Corporation adopted the following accounting changes with a cumulative adjustment--which resulted in a $175 million or $0.85 per share after-tax charge to earnings--in January 1993:

In Millions, Except Per Share Amounts	OPEB	Income Taxes	Revenue Recogn.	Total
Railroad	$ (171)	$ 121	$ (22)	$ (72)
Natural resources	(44)	(15)	--	(59)
Trucking	(47)	(25)	(7)	(79)
Waste management	--	--	--	--
Corporate services and other operations	(9)	44	--	35
Consolidated	$ (271)	$ 125	$ (29)	$ (175)
Per share	$(1.32)	$ 0.61	$(0.14)	$(0.85)

Other Postretirement Benefits (OPEB): The Financial Accounting Standards Board (FASB) issued Statement No. 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions," which requires that the cost of non-pension benefits for retirees be accrued during their period of employment. The adoption of this Statement will not affect future cash funding requirements for these benefits (see Note 10).

Income Taxes: The FASB issued Statement No. 109, "Accounting for Income Taxes," which requires the balance sheet approach of accounting for income taxes, whereby assets and liabilities are recorded at the tax rates currently enacted. The Corporation's results were not significantly affected by the adoption of this Statement; however, future results may be affected by changes in the corporate income tax rate. 1993's income tax expense (before accounting changes) rose $73 million as a result of the Omnibus Budget Reconciliation Act of 1993 (the 1993 Tax Act) (see Note 7).

Revenue Recognition: The Corporation changed its method of transportation revenue and expense recognition from accruing both revenues and expenses at the inception of service to the industry practice of allocating revenues between reporting periods based on relative transit time, while recognizing expenses as incurred. The Corporation's results were not significantly affected by this accounting change.

3. 1991 Special Charge

In 1991, the Corporation announced a major restructuring program, including an $870 million ($575 million after-tax) charge. The program included a provision of $480 million for severance and other costs associated with personnel reductions at Union Pacific Railroad Company and its affiliate, Missouri Pacific Railroad Company (collectively the Railroad), as well as $265 million for costs related to the disposition of light density rail lines. In addition, the Corporation provided $125 million for operational realignments at its other operating companies. The Corporation spent $142 million and $193 million in 1993 and 1992, respectively, for the restructuring program.

4. Price Risk Management

The Corporation utilizes futures contracts, option contracts and swap agreements to manage price volatility related to sales and purchases of hydrocarbons. Union Pacific Resources Company (Resources) has purchased fixed price contracts to hedge 1994 natural gas sales volumes of 161 mmcf/day at $2.27/mcf, approximately 25% of Resources' 1994 natural gas production. Overnite Transportation Company (Overnite) has purchased fixed price contracts to hedge virtually all of its 1994 diesel fuel consumption (62 million gallons at $0.48 per gallon). Credit risk related to these activities is minimal.

5. Investments and Acquisitions

In May 1993, the Corporation acquired all of the outstanding common stock of Skyway Freight Systems, Inc. (Skyway) for $65 million and the conversion of its initial $7 million preferred stock investment. Skyway specializes in providing customized logistics and transportation support for the time-definite and specialized freight markets.

In 1992, the Corporation exchanged its preferred stock investment in Chicago and North Western Holdings Corporation (CNW) for non-voting common stock (the Stock). Through additional Stock purchases, the Corporation holds a 30% equity interest in CNW. The Stock is exchangeable into voting common stock pending Interstate Commerce Commission approval. The CNW investment is accounted for on the equity method.

6. Properties

Major property accounts are as follows:

Millions of Dollars	1993	1992
Railroad:		
Road and other	$ 7,935	$ 7,282
Equipment	4,575	4,328
Total Railroad	12,510	11,610
Natural resources	4,144	3,785
Trucking	621	555
Waste management	464	350
Other	121	85
Total	$17,860	$16,385

Accumulated depreciation, depletion and amortization are as follows:

Millions of Dollars	1993	1992
Railroad:		
Road and other	$1,990	$1,693
Equipment	1,769	1,730
Total Railroad	3,759	3,423
Natural resources	2,364	2,124
Trucking	165	138
Waste management	101	82
Other	30	18
Total	$6,419	$5,785

7. Income Taxes

In August 1993, President Clinton signed the 1993 Tax Act into law raising the Federal corporate income tax rate to 35% from 34% retroactive to January 1. As a result, 1993 income tax expense increased by $73 million: $61 million for the one-time non-cash recognition of deferred income taxes related to prior periods and $12 million of incremental current year Federal income tax expense.

Components of income tax expense are as follows:

Millions of Dollars	1993
Current:	
Federal	$118
State	12
Total current	130
Deferred:	
Federal	304
State	16
Total deferred	320
Total	$450

Prior years' components of tax expense, which have not been restated to reflect the accounting change (see Note 2), were $156 million in 1992 and $106 million in 1991 for current Federal income tax expense and $217 million in 1992 and $(58) million in 1991 for deferred Federal income tax expense.

Deferred tax liabilities (assets) are comprised of the following:

Millions of Dollars	1993

Net current deferred tax asset - Restructuring and other reserves	$ (117)
Excess tax over book depreciation	2,459
Exploration costs	286
State taxes - Net	221
Alternative minimum tax	(178)
Postretirement benefits	(152)
Special charge	(101)
Other	141
Net long-term deferred tax liability	2,676
Net deferred tax liability	$2,559

A reconciliation between statutory and effective tax rates is as follows:

	1993	1992	1991
Statutory tax rate	35.0%	34.0%	34.0%
Cumulative effect of Federal rate increase	5.3	--	--
State taxes - Net	1.6	--	--
Goodwill amortization	1.1	3.1	29.5
Section 29 credits	(1.2)	(1.8)	--
Dividend exclusion	(1.6)	(0.9)	(16.1)
Other	(1.2)	(0.5)	(4.5)
Effective tax rate	39.0%	33.9%	42.9%

All material IRS deficiencies prior to 1978 have been settled. In addition, the Corporation has filed refund claims for 1946 through 1967. The Corporation is contesting deficiencies in the Tax Court for 1978 and 1979. The Corporation has reached a partial settlement with the Appeals Office of the IRS for 1980 through 1983; the remaining issues will be resolved as part of the Tax Court case for 1978 and 1979, as well as the refund claim filed for 1983. The Corporation is negotiating with the Appeals Office concerning 1984 through 1986. The IRS is examining the Corporation's returns for 1987 through 1989. The Corporation believes it has adequately provided for Federal and state income taxes.

Payments of income taxes were $142 million in 1993, $168 million in 1992 and $158 million in 1991.

8. Debt

Long-term debt is summarized below:

Millions of Dollars	1993	1992
Notes and Debentures, 4.75% to 10.80% due through 2054	$2,189	$2,554
Equipment obligations, 6.15% to 15.50% due through 2012	664	678
Commercial paper, average of 3.35% in 1993 and 3.62% in 1992	868	353
Mortgage bonds, 4.25% to 5.00%, due through 2030	178	179
Tax-exempt financings, 2.41% to 9.60% due through 2026	206	173
Capitalized leases	144	158
Unamortized discount	(180)	(106)
Total long-term debt	$4,069	$3,989

Maturities of long-term debt for each year, 1994 through 1998, are $115 million, $271 million, $65 million, $156 million and $1.147 billion, respectively.

Approximately 55% of all rail equipment and other railroad properties secure outstanding equipment obligations and mortgage bonds.

Certain tax-exempt financings had variable interest rates from 2.41% to 3.10% at December 31, 1993, and from 2.65% to 3.50% at December 31, 1992.

Commercial paper borrowings are due within one year, but have been classified as long-term debt because the Corporation intends to refinance these obligations by the issuance of additional commercial paper or other long-term debt. Long-term credit facilities are available to replace outstanding commercial paper.

The Corporation has $1.275 billion of credit facilities for general corporate purposes with various banks. These facilities consist of revolving credit facilities of $800 million that expire in 1998 and $400 million that expire in March 1994, and $75 million of other short-term facilities. Borrowings on the $400 million credit facility are payable up to one year from the date the funds are borrowed. Commitment fees and interest rates payable under these facilities are comparable to fees and rates available to the most creditworthy corporate borrowers.

In February 1993, the remaining $25 million of the 7.50% Exchangeable Guaranteed Notes due 2003, which were issued in conjunction with the acquisition of the Missouri-Kansas-Texas Railroad, were exchanged for approximately 774,000 shares of the Corporation's common stock. These common shares were held in treasury prior to the exchange.

The Corporation is subject to certain restrictions related to the payment of cash dividends. The amount of retained earnings available for dividends under the most restrictive test was $2.6 billion at December 31, 1993.

Interest expense is net of capitalized interest of $11 million in 1993, $9 million in 1992 and $6 million in 1991. Interest payments approximate gross interest expense.

The fair value of the Corporation's long and short-term debt has been estimated using quoted market prices or current borrowing rates. At December 31, 1993, the fair value of total debt exceeded the carrying value by 5%.

9. Leases

The Corporation leases certain locomotives, freight cars, trailers, production platforms and other property. Future minimum lease payments for capital and operating leases with initial or remaining non-cancelable lease terms in excess of one year as of December 31, 1993, are as follows:

Millions of Dollars	Operating Leases	Capital Leases
1994	$114	$ 27
1995	54	26
1996	47	25
1997	38	24

1998	35	21
Later years	95	200
	----	----
Total minimum payments	$383	323
	====	
Amount representing interest		(167)

Present value of minimum lease payments		$156
		====

The present value of future capital lease payments includes $12 million classified as a current liability and $144 million classified as long-term debt.

Rent expense for operating leases with terms exceeding one month was $123 million in 1993, $112 million in 1992 and $111 million in 1991. Contingent rentals and sub-rentals are not significant.

10. Retirement Plans

The Corporation and certain of its subsidiaries provide pension and postretirement health care and life insurance benefits to substantially all salaried and certain hourly employees.

Pension Benefits: Pension plan benefits are based on years of service and compensation during the last years of employment. Contributions to the plans are calculated based on the Projected Unit Credit actuarial funding method and are not less than the minimum funding standards set forth in the Employee Retirement Income Security Act of 1974, as amended. In addition, Railroad employees are covered by the Railroad Retirement System. Contributions made to the System are expensed as incurred and amounted to $195 million, $201 million and $197 million in 1993, 1992 and 1991, respectively. Since 1989, the Corporation has settled a portion of the non-qualified unfunded supplemental plans' accumulated benefit obligation by purchasing annuities.

Pension cost includes the following components:

Millions of Dollars	1993	1992	1991
Service cost - benefits earned during the period	$ 32	$ 32	$ 28
Interest on projected benefit obligation	88	84	77
Return on assets			
- actual gain	(140)	(57)	(203)
- deferred gain (loss)	60	(19)	132
Net amortization costs	8	10	8
Charge to operations	$ 48	$ 50	$ 42

The projected benefit obligation was determined using a discount rate of 7.0% in 1993 and 8.0% in 1992. The estimated rate of salary increase approximated 5.0% in 1993 and 6.25% in 1992. The expected long-term rate of return on plan assets was 8.0% in both years. The change in assumptions will not significantly affect 1994 pension cost. As of year-end 1993 and 1992, approximately 34% and 31%, respectively, of the funded plans' assets were held in fixed-income and short-term securities, with the remainder primarily in equity securities.

The funded status of the plans is as follows:

Millions of Dollars	Assets Exceed Accumulated Benefits		Accumulated Benefits Exceed Assets (a)	
	1993	1992	1993	1992
Plan assets at fair value	$1,182	$1,086	$ --	$ --
Actuarial present value of benefit obligations:				
Vested benefits	923	783	39	27
Non-vested benefits	54	39	1	--
Accumulated benefit obligation	977	822	40	27
Additional benefits based on estimated future salaries	205	239	26	12
Projected benefit obligation	1,182	1,061	66	39
Plan assets (over) under projected benefit obligation	--	(25)	66	39
Unamortized net transition asset (obligation)	39	43	(33)	(40)
Unrecognized prior service cost	(46)	(64)	(39)	(25)
Unrecognized net gain (loss)	167	194	(30)	(13)
Minimum liability	--	--	76	66
Pension liability	$ 160	$ 148	$ 40	$ 27

(a) Represents the Corporation's non-qualified unfunded supplemental plans.

Other Postretirement Benefits: The Corporation adopted the provisions of SFAS No. 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions" (see Note 2) in January 1993. The Corporation does not currently pre-fund health care and life insurance benefit costs. Cash payments for these benefits (which were not affected by the adoption of SFAS No. 106) were $16 million in 1993. Railroad agreement employees' health care and life insurance benefits are covered by a separate multiemployer plan and therefore are not subject to the provisions of this Statement.

In late 1993, the Corporation amended its postretirement health care plans to provide greater employee cost sharing and, for the plan covering Overnite's employees, implemented stricter eligibility requirements. As a result of these amendments, future plan expense will be reduced.

Components of the postretirement health care and life insurance benefit expense are as follows:

Millions of Dollars	1993
Service cost-benefits earned during the period	$ 7
Interest costs on accumulated benefit obligation	21
Charge to operations	$28

The liability for postretirement benefit plans is as follows:

Millions of Dollars	1993
Accumulated postretirement benefit obligation (APBO):	
Retirees	$201
Fully eligible active employees	21
Other active employees	99
Total APBO	321
Unrecognized prior service gain	76
Unrecognized net gain	40
Postretirement benefits liability	$437

The APBO was determined using a discount rate of 7.0%. The initial assumed health care cost trend rate was 13.0%, gradually decreasing to 4.8% for 2009 and all future years. If the assumed health care cost trend rate increases by one percentage point in each subsequent year, annual postretirement benefit expense would increase by $4 million and the aggregate postretirement benefits liability would rise by $35 million.

11. Stock Option Plans, Retention Stock Plans and Other Capital Stock
Pursuant to the Corporation's stock option, retention and restricted stock plans for directors, officers and key employees, 14,469,250, 4,095,900 and 5,530,500 common shares or options for common shares were available for grant at December 31, 1993, 1992 and 1991, respectively.

Options under the plans are granted at 100% of market value at the date of grant, become exercisable one year after that date and are exercisable for a period of ten years from the grant date. The plans also provide for granting of stock appreciation rights (SAR's) that permit certain holders to surrender related exercisable options in exchange for cash or stock in an amount equal to the excess of the market price of the Corporation's common stock on the date the right is exercised over the option price. As a result of changes in the market value of the stock, $4 million, $6 million and $18 million were charged to expense in 1993, 1992 and 1991, respectively. During 1993, 1992 and 1991, options with SAR's were granted for 437,400, 441,500 and 282,500 shares, respectively. At December 31, 1993, 1992 and 1991, there were 1,298,200, 937,400 and 969,500 shares subject to outstanding SAR's, respectively.

Changes in common stock options and SAR's outstanding are as follows:

	Shares Under Option	Price Range Per Share
Balance Dec. 31, 1990	5,784,000	$19.04 to $40.41
Granted	1,049,400	46.66 to 49.13
Exercised	(2,361,480)	20.04 to 40.41
Expired/Surrendered	(65,200)	34.07 to 40.41
Balance Dec. 31, 1991	4,406,720	19.04 to 49.13
Granted	1,322,250	54.13
Exercised	(1,511,920)	19.04 to 46.66
Expired/Surrendered	(61,100)	46.66 to 54.13
Balance Dec. 31, 1992	4,155,950	20.04 to 54.13
Granted	1,352,850	63.75
Exercised	(792,890)	20.04 to 54.13
Expired/Surrendered	(19,450)	28.32 to 54.13
Balance Dec. 31, 1993	4,696,460	20.04 to 63.75
Exercisable Dec. 31		
1991	3,357,320	$19.04 to $40.41
1992	2,833,700	20.04 to 49.13
1993	3,343,610	20.04 to 54.13

The plans also provide for granting restricted shares of common stock to eligible employees, subject to forfeiture if employment terminates during the prescribed restricted period. During 1993, 1992 and 1991, 208,700, 131,450 and 385,900 retention and restricted shares, respectively, were issued.

The Corporation has announced programs to repurchase up to $1.2 billion of its common shares. Since 1984, 15 million shares have been repurchased at a cost of $841 million. In 1991, the Corporation split its outstanding common stock on a two-for-one basis. Accordingly, all appropriate share and per share information has been restated.

12. Commitments and Contingencies
There are various lawsuits pending against the Corporation and certain of its subsidiaries. The Corporation is also subject to Federal, state and local environmental laws and regulations, and is currently participating in the investigation and remediation of numerous sites. Where the remediation costs can be reasonably determined, and where such remediation is probable, the Corporation has recorded a liability. At December 31, 1993, the Corporation had accrued $181 million for estimated future environmental costs and believes it is reasonably possible that actual environmental costs could be lower than the recorded reserve or as much as 50% higher. The Corporation has also entered into commitments and provided guarantees for specific financial and contractual obligations of its subsidiaries and affiliates. The Corporation does not expect that the lawsuits, environmental costs, commitments or guarantees will have a material adverse effect on its consolidated financial position or its results of operations.

13. Other Income - Net

Other Income - Net includes the following:

Millions of Dollars	1993	1992	1991
Rental income	$ 33	$ 38	$ 45
Net gain on property dispositions	18	36	51
Interest on tax settlements	--	55	15
Interest and other - Net	38	17	11
Total	$ 89	$146	$122

SUPPLEMENTARY INFORMATION (unaudited)

Selected Quarterly Data

Selected unaudited quarterly data are as follows:

Millions of Dollars Except Per Share Amounts	Mar.31	Jun.30	Sep.30	Dec.31
1993				
Operating revenues	$1,830	$1,848	$1,901	$1,982
Operating income	343	385	345	416
Net income (loss)	(11)(a)	198	108(b)	235
Per share:				
Net income (loss)	(0.06)(a)	0.96	0.53(b)	1.14
Dividends	0.37	0.37	0.40	0.40
Common stock price:				
High	62.38	65.38	67.00	64.88
Low	56.88	58.75	58.38	57.88
1992				
Operating revenues	$1,745	$1,782	$1,851	$1,916
Operating income	307	376	372	350
Net income	145	206(c)	185	192
Per share:				
Net income	0.71	1.01(c)	0.91	0.94
Dividends	0.34	0.34	0.37	0.37
Common stock price:				
High	51.00	55.25	55.50	60.50
Low	44.38	45.75	48.00	50.63

(a) Income before the cumulative effect of accounting changes was $164 million or $0.80 per share.

(b) Included a $61 million ($0.30 per share) increase in income tax expense resulting from the deferred tax effect of the 1993 Tax Act (see Note 7 to the Financial Statements).

(c) Included a $63 million ($42 million after-tax) production-based tax settlement, which increased earnings per share by $0.21.

Stockholders and Dividends

The common stock of the Corporation is traded on various stock exchanges, principally the New York Stock Exchange. At January 31, 1994, there were 205,077,299 shares of outstanding common stock and approximately 63,600 common stockholders. At that date, the closing price of the common stock on the New York Stock Exchange was $65.38.

Cash dividends declared on common stock by the Corporation were $1.54 per share in 1993 and $1.42 per share in 1992. Union Pacific has paid dividends to its common stockholders during each of the past 94 years. See Note 8 to the Financial Statements for a discussion regarding restrictions relating to the payment of cash dividends.

Rail Transportation

Commodities

Revenue ton-miles (RTM) and freight revenue for major commodities by percent and in total are as follows:

Percent of Total	1993 RTM	1993 Frght. Rev.	1992 RTM	1992 Frght. Rev.	1991 RTM	1991 Frght. Rev.
Automotive	4.0%	11.3%	3.7%	10.7%	3.2%	10.0%
Chemicals	14.0	20.9	14.8	21.6	14.4	21.6
Energy	34.3	18.3	31.2	17.6	33.8	18.9
Food, consumer and government	5.8	6.6	6.3	7.1	6.2	7.4
Grains and grain products	16.1	12.9	17.3	13.5	16.1	12.9
Intermodal	12.0	14.3	12.1	13.2	11.6	13.1
Metals, minerals and forest	13.8	15.7	14.6	16.3	14.7	16.1
Total	100%	100%	100%	100%	100%	100%

Amounts in Billions	220.7	$4.8	209.1	$4.7	200.9	$4.6

Equipment Owned or leased at year-end	1993	1992	1991
Locomotives	3,142	3,074	3,065
Freight cars			
Covered hoppers	23,399	22,656	23,049
Box cars	15,826	16,573	18,279
Open-top hoppers	10,885	11,064	11,221
Gondolas	9,969	10,438	10,686
Other	8,013	8,408	8,868
Work equipment	4,704	4,922	5,048
Acquired during the year			
Locomotives	74	74	68
Freight cars	1,394	646	783
Average age of equipment (years)			
Locomotives	12.2	11.8	11.3
Freight cars	19.8	19.3	18.3
Bad order ratio-freight cars	7.9%	8.2%	11.2%

(Graph of Union Pacific Railroad Revenue Ton-Miles Per Employee - see Appendix)

Expenditures Millions of Dollars	1993	1992	1991
Capital Expenditures			
Roadway and other	$591	$504	$440
Equipment	214	263	181
Total	$805	$767	$621
Maintenance Expenditures			
Roadway	$247	$273	$295
Equipment	490	485	463
Total	$737	$758	$758

Transportation Statistics

Railroad (track miles)	1993	1992	1991
Main line	13,972	14,032	14,563
Branch line	3,863	4,988	5,698
Yards, siding and other main line	12,480	12,717	12,401
Total	30,315	31,737	32,662
Track miles of continuous welded rail (at year-end)	13,735	13,528	13,291
Track miles under centralized traffic-control (at year-end)	8,861	8,847	8,790
Track miles of rail replaced			
New	280	373	223
Used	254	267	292
Track miles re-ballasted	2,510	3,296	3,687
Ties replaced (thousands)	2,017	1,946	1,785
Freight Operations			
Operating ratio	79.1	79.0	80.4
Carloadings (thousands)	4,619	4,458	4,304
Average revenue per carloading	$1,032	$1,055	$1,064
Average price of diesel fuel (per gallon)(cents)	62.8	63.9	66.5

Trucking

Freight Operations	1993	1992	1991
Shipments (thousands)			
Less-than-truckload	8,146	7,603	7,034
Truckload	60	67	72
Total	8,206	7,670	7,106
Tonnage (thousands)			
Less-than-truckload	4,277	3,994	3,652
Truckload	733	837	914
Total	5,010	4,831	4,566
Revenue per hundredweight	$9.28	$9.03	$8.76
Operating ratio	90.2	90.9	91.9

Equipment and Terminals Owned or leased at year-end	1993	1992	1991
Tractors	5,254	5,311	5,205

Trailers	17,105	16,123	14,318
Straight trucks	93	101	121
Automobiles and service units	237	385	525
Service centers	166	160	149
Average age of equipment (years)			
Tractors	6.8	7.2	7.8
Trailers	8.0	8.7	8.5

Capital Expenditures

Millions of Dollars	1993	1992	1991
Revenue equipment	$ 40	$ 48	$ 26
Other	40	24	14
Total	$ 80	$ 72	$ 40

Natural Resources

Oil and Gas -- Proved Reserves

Proved reserves of crude oil, which include condensate and natural gas liquids, are as follows:

Millions of Barrels	1993	1992	1991
Beginning of year	156.6	161.4	153.0
Revisions of previous estimates	5.5	7.1	3.7
Improved recovery	1.3	--	6.3
Extensions, discoveries and other additions	20.8	27.2	22.4
Purchases (sales) of reserves-in-place	4.6	(7.3)	3.9
Production	(31.9)	(31.8)	(27.9)
End of year	156.9	156.6	161.4
Proved developed reserves	153.8	148.5	135.4

The table above includes the following amounts with respect to natural gas liquids:

Millions of Barrels	1993	1992	1991
Production	(7.7)	(7.5)	(7.6)
Reserves, end of year	74.3	67.8	64.5

Proved natural gas reserves are as follows:

Billions of Cubic Feet	1993	1992	1991
Beginning of year	1,709.2	1,655.5	1,694.4
Revisions of previous estimates	(35.6)	37.2	15.5
Extensions, discoveries and other additions	237.0	427.1	147.8
Purchases (sales) of reserves-in-place	46.6	(199.6)	(6.9)
Production	(226.0)	(211.0)	(195.3)
End of year	1,731.2	1,709.2	1,655.5
Proved developed reserves	1,643.5	1,610.8	1,512.9

Over 90% of proved reserves are in the United States. At December 31, 1990, proved developed reserves of oil and gas were 130.0 million barrels and 1,595.0 billion cubic feet, respectively.

Drilling and Production Activities

Drilling	1993	1992	1991
Gross wells	529	483	382
Gross productive wells	491	435	308
Net wells:			
Exploration	20	33	44
Development	303	291	201
Net productive wells:			
Exploration	10	13	18
Development	295	285	185

At December 31, 1993, 146 gross wells and 72 net wells were in process of being drilled.

Sales Price and Cost (a)	1993	1992	1991
Crude oil sales price	$15.66	$17.22	$18.33
Natural gas liquids sales price	9.84	10.67	11.86
Gas sales price	1.82	1.52	1.39
Lifting cost (b)	4.12	4.12	4.33

(a) Average per bbl or mcf, except lifting cost which is per barrel oil equivalent converted at 6:1.
(b) Lifting cost per unit includes 6.9 million, 5.8 million and 6.2 million barrels of natural gas liquids earned through plant ownership in 1993, 1992 and 1991, respectively.

Production (per day)	1993	1992	1991
Net crude oil (thousand bbl)	66.5	66.5	54.9
Net natural gas liquids (thousand bbl)	21.0	20.6	21.4
Net natural gas (mmcf)	619.0	576.0	535.0
Natural gas processed (mmcf)	949.4	935.1	915.0

Acreage and Wells
Oil and gas acreage is as follows:

Thousands of Acres	1993	1992

Gross developed	1,569	1,581
Net developed	833	821
Gross undeveloped	17,588	27,529
Net undeveloped	15,733	24,574

Gross and net undeveloped acreage at December 31, 1993, includes 13.6 million acres and 12.8 million acres, respectively, which were acquired under foreign work programs, substantially all in South America. The table excludes 7.1 million gross acres and 6.4 million net acres, which were acquired through 19th century Congressional Land Grant Acts. Substantial portions of this acreage are considered prospective for oil and gas.

Productive oil and gas wells at December 31, 1993, are as follows:

Wells	Oil	Gas
Gross (a)	4,306	2,582
Net	1,402	1,509

(a) Approximately 833 are multiple completions, 442 of which are gas wells.

Capitalized Exploration and Production Costs

Millions of Dollars	1993	1992	1991
Proved properties	$ 386	$ 402	$ 355
Unproved properties	151	134	204
Wells, related equipment and facilities	3,110	2,791	2,606
Uncompleted wells, equipment and facilities	197	200	148
Gross capitalized costs	3,844	3,527	3,313
Accumulated depreciation, depletion, amortization and valuation provisions	(2,208)	(1,983)	(1,861)
Net capitalized costs	$1,636	$1,544	$1,452

(Graph of Union Pacific Resources Production - see Appendix)

Costs Incurred in Exploration and Development

Costs incurred in oil and gas property acquisition, and exploration and development activities are as follows:

Millions of Dollars	1993	1992	1991
Costs incurred (a)			
Proved acreage	$ 27	$ 3	$ 29
Unproved acreage	57	31	42
Exploration costs	88	89	111
Development costs	400	485	309

(a) Costs incurred include capitalized costs.

Results of Operations for Producing Activities

Millions of Dollars	1993	1992	1991
Revenues - Third parties	$1,044	$957	$849
Production costs	315	300	288
Exploration expenses	76	89	76
Depreciation, depletion and amortization	400	409	270
Total costs	791	798	634
Pre-tax results	253	159	215
Income taxes	83	58	73
Results of operations	$ 170	$101	$142

Pipeline results, overhead expenses and interest costs have been excluded in computing these results of operations.

Standardized Measure of Discounted Future Net Cash Flows Relating to Proved Oil and Gas Reserves

Millions of Dollars	1993	1992	1991
Future cash inflows from sale of oil and gas	$4,540	$5,256	$4,792
Future production and development costs	(1,631)	(1,451)	(1,406)
Future income taxes	(859)	(1,156)	(963)
Future net cash flows	2,050	2,649	2,423
10% annual discount	(761)	(1,097)	(919)
Standardized measure of discounted future net cash flows	$1,289	$1,552	$1,504

An analysis of changes in standardized measure of discounted future net cash flows follows:

Millions of Dollars	1993	1992	1991
Beginning of year	$1,552	$1,504	$1,689
Changes due to current year operations:			
Additions and discoveries less related production and other costs	441	721	371
Sales of oil and gas, net of production costs	(733)	(657)	(561)

Development costs	400	485	309
Purchases (sales) of reserves-in-place	28	(228)	15
Changes due to revisions in:			
Price	(516)	(4)	(325)
Development costs	(358)	(414)	(355)
Quantity estimates	(5)	103	43
Income taxes	143	(101)	133
Other	123	(56)	(46)
Discount accretion	214	199	231
End of year	$1,289	$1,552	$1,504

Future oil and gas sales, and production and development costs have been estimated using prices and costs in effect as of each year-end. Future net revenues were discounted to present value at 10%, a uniform rate set by the FASB. Income taxes represent the tax effect (at statutory rates) of the difference between the standardized measure values and tax bases of the underlying properties at the end of the year.

Changes in the supplies and demand for oil and natural gas, inflation, timing of production, reserve revisions and other factors make these estimates inherently imprecise and subject to substantial revision. As a result, these measures are not the Corporation's estimate of future cash flows nor do these measures serve as an estimate of current market value.

TEN-YEAR FINANCIAL SUMMARY

Union Pacific Corporation and Subsidiary Companies

Millions of Dollars, Except Per Share Amounts, Ratios and Employee Statistics

	1993[a]	1992	1991[b]	1990	1989
Operating Revenues	$ 7,561	7,294	7,029	6,964	6,388
Operating Income (Loss)	1,489	1,405	461	1,324	1,243
Net Income (Loss)	530	728	64	618	595
Per Share:					
Net Income (Loss)	2.58	3.57	0.31	3.08	2.81
Dividends	$ 1.54	1.42	1.305	1.18	1.12
At Year-End					
Total Assets	$ 15,001	14,098	13,326	13,078	12,459
Total Debt	4,184	4,099	4,050	4,084	4,036
Common Stockholders' Equity	4,885	4,639	4,163	4,277	3,911
Per Common Share	$ 23.81	22.75	20.52	21.36	19.50
For the Year					
Capital Investments [c]	$ 1,574	1,567	1,231	1,206	1,174
Cash from Operations	1,563	1,660	1,392	1,467	1,483
Total Salaries, Wages and Employee Benefits [d]	$ 2,863	2,850	2,706	2,694	2,593
Average Number of Employees	47,126	46,039	47,090	48,323	48,126
Revenues Per Employee	$160,400	158,400	149,300	144,100	132,700
Financial Ratios (%)					
Debt to Total Capital Employed	35.6	36.9	39.2	38.5	40.3
Return on Average Common Stockholders' Equity	11.1	16.5	1.5	15.1	14.2

	1988	1987	1986	1985	1984
Operating Revenues	$ 6,068	5,351	4,773	5,078	5,289
Operating Income (Loss)	1,200	991	(364)	825	946
Net Income (Loss)	644	583	(460)	501	494
Per Share:					
Net Income (Loss)	2.83	2.55	(2.28)	2.09	2.01
Dividends	$ 1.05	1.00	0.93	0.90	0.90
At Year-End					
Total Assets	$ 12,228	10,919	10,863	10,710	10,392
Total Debt	3,356	2,885	3,061	2,192	2,186
Common Stockholders' Equity	4,482	3,761	3,408	4,356	4,231
Per Common Share	$ 19.85	17.90	16.23	19.84	18.76
For the Year					
Capital Investments [c]	$ 1,240	748	738	1,067	1,017
Cash from Operations	1,391	950	1,333	1,317	1,220
Total Salaries, Wages and Employee Benefits [d]	$ 2,498	2,284	1,978	2,188	2,216
Average Number of Employees	47,259	46,559	39,476	44,419	46,388
Revenues Per Employee	$128,400	114,900	120,900	114,300	114,000
Financial Ratios (%)					
Debt to Total Capital Employed	34.5	32.7	36.1	24.7	25.8
Return on Average Common Stockholders' Equity	13.4	12.9	--	10.1	11.6

[a] 1993 results include a net after-tax charge of $175 million for the adoption of changes in accounting methods and a $61 million charge for the deferred tax effect of the 1993 Tax Act (See Notes 2 and 7 to the Financial Statements, respectively). Excluding these accounting adjustments, net income would have been $766 million with a return

on average common stockholders' equity of 15.7%.

[b] Earnings excluding the special charge would have been $639 million with a return on average common stockholders' equity of 14.2%.

[c] Includes exploratory expenditures and capital expenditures of unconsolidated affiliated companies.

[d] Includes capitalized salaries, wages and employee benefit costs.

INSIDE BACK COVER

(Union Pacific Corporation System Map - see Appendix)

APPENDIX

Union Pacific Corporation 1993 Annual Report

Appendix: Description of Graphic Material omitted from electronically filed excerpts of the 1993 Annual Report

Financial Review - Page 23

Union Pacific Corporation
Millions

	1989	1990	1991	1992	1993
Operating Revenues	$6,388	$6,964	$7,029	$7,294	$7,561
Operating Income	1,243	1,324	1,331 (a)	1,405	1,489

(a) Excludes an $870 million special charge.

Financial Review - Page 25

Union Pacific Corporation
Thousands

	1989	1990	1991	1992	1993
Revenues Per Employee	$132.7	$144.1	$149.3	$158.4	$160.4

Financial Reveiw - Page 27

Union Pacific Corporation

	1989	1990	1991	1992	1993
Dividends Per Share	$1.12	$1.18	$1.305	$1.42	$1.54
Capital Investments Millions	1,174	1,206	1,231	1,567	1,574

Financial Summary - Page 28

Year-End Closing Stock Price
Union Pacific Corporation
Per share

	1989	1990	1991	1992	1993
Stock Price	$38.31	$35.31	$51.75	$58.50	$62.63

Supplementary Information - Page 41

Union Pacific Railroad
Millions

	1989	1990	1991	1992	1993
Revenue Ton-Miles Per Employee	5.72	6.10	6.58	7.21	7.66

Supplementary Information - Page 43

Production
Union Pacific Resources
Millions of Equivalent Barrels

	1989	1990	1991	1992	1993
MMBOE of Gas (6:1)	26	34	33	35	38
Barrels of Oil	23	23	28	32	32

Union Pacific Corporation System Map - Inside Back Cover

Map Description

Two-page white map of the Continental United States, Western Provinces of Canada, and Alaska, on a gray background.

The location of significant assets and operations are indicated on the map by operating company as follows:

A. Union Pacific Corporation

1. Corporate Headquarters in Bethlehem, Pennsylvania.

B. Union Pacific Railroad

1. Headquarters in Omaha, Nebraska

2. Single, Double and Triple Track located in the states of Nebraska, Iowa, Illinois, Missouri, Kansas, Oklahoma, Arkansas, Tennessee, Louisiana, Texas, Colorado, Wyoming, Utah, Idaho, Nevada, California, Oregon and Washington.

3. Classification Yards located in the states of Nebraska, Illinois, Missouri, Arkansas, Louisiana, Texas, Idaho, California and Oregon.

4. Major Intermodal Trailer/Container Terminals located in the states of Nebraska, Illinois, Missouri, Arkansas, Tennessee, Louisiana, Texas, Colorado, Utah, California and Washington.

C. Union Pacific Resources

1. Headquarters in Fort Worth, Texas.

2. Major Petroleum Producing Areas in Texas, Arkansas, Oklahoma, Kansas, North Dakota, Colorado, Wyoming, Utah, California, Alberta, offshore California and the Gulf of Mexico.

3. Exploration and Development Activities in Ontario, Alberta, British Columbia, Louisiana, Texas, Colorado, Wyoming, Utah and the Gulf of Mexico.

4. Gas Processing Plants in California, Texas, Utah, Wyoming, Colorado, Oklahoma, and Alberta.

5. Cogeneration Plant in California.

6. Coal Operations in Wyoming.

7. Trona Activities in Wyoming.

8. Construction Materials Activities in Missouri and Utah.

9. Pipelines - Overland Trail Pipeline in Wyoming and the Wahsatch Gathering System in Utah, Idaho and Wyoming.

D. Overnite Transportation

1. Headquarters in Richmond, Virginia.

2. Key Terminals spread throughout the eastern half of the Continental United States, and in the western states of Washington, Oregon, California, Nevada, Utah, Arizona and Colorado.

E. Skyway Freight Systems

1. Headquarters in Watsonville, California.

2. Key Terminals in the states of Washington, California, Texas, Illinois, Georgia, New Jersey and Massachusetts.

F. USPCI

1. Headquarters in Houston, Texas.

2. Non-hazardous Waste Disposal Activities in Utah, North Dakota and Minnesota.

3. Hazardous Waste Disposal Activities in Utah and Oklahoma.

4. Transportation Terminals in California, Utah, Oklahoma, and Texas.

5. Analysis and Research Labs in Saskatchewan, Georgia, and Oklahoma.

6. PCB Treatment, Storage and Decontamination Facilities in Saskatchewan, Utah, Missouri, Georgia, Ohio and Pennsylvania.

7. Recycling/Transfer Facilities in California, Kansas, Oklahoma, Texas and Georgia.

8. Pending Hazardous Waste Incinerator in Utah.

EXHIBIT 21

SIGNIFICANT SUBSIDIARIES
OF UNION PACIFIC CORPORATION

Name of Corporation	State of Incorporation
H. W. M. A. Corporation	New York
USPCI, Inc.	Delaware
Overnite Transportation Company	Virginia
Union Pacific Holdings, Inc.	Utah
Union Pacific Railroad Company	Utah
Missouri Pacific Corporation	Delaware
Missouri Pacific Railroad Company	Delaware
Resources Holdings, Inc.	Delaware
Union Pacific Finance Company	Delaware
Union Pacific Resources Company	Delaware
Union Pacific Technologies, Inc.	Delaware
Skyway Freight Systems, Inc.	California

Exhibit 23

INDEPENDENT AUDITORS' CONSENT

We consent to the incorporation by reference in Post-Effective Amendment No. 1 to Registration Statement No. 2-79663, Post-Effective Amendment No. 1 to Registration Statement No. 33-12513, Registration Statement No. 33-18877, Registration Statement No. 33-22106, Registration Statement No. 33-22607, Registration Statement No. 33-25500, Registration Statement No. 33-44236, Registration Statement No. 33-53968, Registration Statement No. 33-49785, Registration Statement No. 33-49849, Registration Statement No. 33-51071, Registration Statement No. 33-51735, and Registration Statement 33-52277 on Forms S-8 and Registration Statement No. 33-52645 on Form S-3 of our reports dated January 20, 1994, appearing in and incorporated by reference in the Annual Report on Form 10-K of Union Pacific Corporation for the year ended December 31, 1993.

/s/DELOITTE & TOUCHE
DELOITTE & TOUCHE

New York, New York
March 29, 1994

EXHIBIT 24

UNION PACIFIC CORPORATION

POWER OF ATTORNEY

The undersigned, a director of Union Pacific Corporation, a Utah corporation (the "Company"), hereby appoints each of Drew Lewis, L. White Matthews, III and Judy L. Swantak his true and lawful attorney-in-fact and agent, to sign on his behalf the Company's Annual Report on Form 10-K for the year ended December 31, 1993, and any and all amendments thereto, and to file the same, with all exhibits thereto, with the Securities and Exchange Commission.

/s/Robert P. Bauman
ROBERT P. BAUMAN

UNION PACIFIC CORPORATION

POWER OF ATTORNEY

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/s/Richard B. Cheney
RICHARD B. CHENEY

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/s/E. Virgil Conway
E. VIRGIL CONWAY

UNION PACIFIC CORPORATION

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/s/Spencer F. Eccles
SPENCER F. ECCLES

UNION PACIFIC CORPORATION

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/s/Elbridge T. Gerry, Jr.
ELBRIDGE T. GERRY, JR.

UNION PACIFIC CORPORATION

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/s/William H. Gray, III
WILLIAM H. GRAY, III

UNION PACIFIC CORPORATION

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/s/Judith Richards Hope
JUDITH RICHARDS HOPE

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/s/Lawrence M. Jones
LAWRENCE M. JONES

UNION PACIFIC CORPORATION

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/s/Richard J. Mahoney
RICHARD J. MAHONEY

UNION PACIFIC CORPORATION

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/s/Claudine B. Malone
CLAUDINE B. MALONE

UNION PACIFIC CORPORATION

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/s/John R. Meyer
JOHN R. MEYER

UNION PACIFIC CORPORATION

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/s/Thomas A. Reynolds, Jr.
THOMAS A. REYNOLDS, JR.

UNION PACIFIC CORPORATION

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/s/James D. Robinson, III
JAMES D. ROBINSON, III

UNION PACIFIC CORPORATION

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/s/Robert W. Roth
ROBERT W. ROTH

UNION PACIFIC CORPORATION

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/s/Richard D. Simmons
RICHARD D. SIMMONS