SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

SCHEDULE 14D-1
AMENDMENT NO. 13
TENDER OFFER STATEMENT PURSUANT TO SECTION 14(D)(1) OF THE SECURITIES EXCHANGE ACT OF 1934

SANTA FE PACIFIC CORPORATION
(NAME OF SUBJECT COMPANY)

UNION PACIFIC CORPORATION
UP ACQUISITION CORPORATION
(BIDDERS)

COMMON STOCK, PAR VALUE $1.00 PER SHARE
(INCLUDING THE ASSOCIATED PREFERRED SHARE PURCHASE RIGHTS)
(TITLE OF CLASS OF SECURITIES)

802183 1 03
(CUSIP NUMBER OF CLASS OF SECURITIES)

RICHARD J. RESSLER
ASSISTANT GENERAL COUNSEL
UNION PACIFIC CORPORATION
EIGHTH AND EATON AVENUES
BETHLEHEM, PENNSYLVANIA 18018
(610) 861-3200
(NAME, ADDRESS AND TELEPHONE NUMBER OF PERSON AUTHORIZED TO RECEIVE NOTICES AND COMMUNICATIONS ON BEHALF OF BIDDERS)

with a copy to:

PAUL T. SCHNELL, ESQ.
SKADDEN, ARPS, SLATE, MEAGHER & FLOM
919 THIRD AVENUE
NEW YORK, NEW YORK 10022
TELEPHONE: (212) 735-3000

CALCULATION OF FILING FEE

Transaction valuation*	Amount of filing fee**
$3,751,271,048	$750,254.21

* For purposes of calculating the filing fee only. This calculation assumes the purchase of 202,798,177 shares of Common Stock, par value $1.00 per share, of Santa Fe Pacific Corporation $18.50 net per share in cash.

** The amount of the filing fee, calculated in accordance with Rule 0-11(d) of the Securities Exchange Act of 1934, as amended, equals 1/50th of one percent of the aggregate value of cash offered by UP Acquisition Corporation for such number of shares.

/X/ Check box if any part of the fee is offset as provided by Rule 0-11(a)(2) and identify the filing with which the offsetting fee was previously paid. Identify the previous filing by registration statement number, or the form or schedule and the date of its filing.

Amount Previously Paid: $405,660.94 Filing Party: Same
Form or Registration No.: 14D-1 Date Filed: November 9, 1994

Union Pacific Corporation, a Utah corporation ("Parent"), and UP Acquisition Corporation, a wholly-owned subsidiary of Parent (the "Purchaser"), hereby amend and supplement their Statement on Schedule 14D-1 ("Schedule 14D-1"), filed with the Securities and Exchange Commission (the "Commission") on November 9, 1994, as amended, with respect to the Purchaser's offer to purchase all of the outstanding shares of Common Stock, par value $1.00 per share (the "Shares"), of Santa Fe Pacific Corporation, a Delaware corporation (the "Company"), at a price of $18.50 per Share, without interest, upon the terms and subject to the conditions set forth in the Offer to Purchase, dated November 9, 1994 (the "Offer to Purchase"), as amended and supplemented by the Supplement thereto, dated January 18, 1995 (the "Supplement"), and the revised Letter of Transmittal (which, as amended from time to time, together constitute the "Offer"), which have been annexed to and filed with the Schedule 14D-1 as Exhibits (a)(1), (a)(26) and (a)(27), respectively.

Unless otherwise indicated herein, each capitalized term used but not defined herein shall have the meaning assigned to such term in the Schedule 14D-1 or in the Offer to Purchase referred to therein.

ITEM 1. SECURITY AND SUBJECT COMPANY.

The information set forth in Items 1(b) and (1)(c) of the Schedule 14D-1 is hereby amended and supplemented by the following:

(b) The information set forth in the Introduction and Section 1 ("Amended Terms of the Offer") of the Supplement is incorporated herein by reference.

(c) The information set forth in Section 5 ("Price Range of the Shares; Dividends") of the Supplement is incorporated herein by reference.

ITEM 3. PAST CONTACTS, TRANSACTIONS OR NEGOTIATIONS WITH THE SUBJECT COMPANY.

The information set forth in Item 3(b) of the Schedule 14D-1 is hereby amended and supplemented by the following:

The information set forth in the Introduction, Section 9 ("Background of the Offer since November 9, 1994; Contacts with the Company") and Section 10 ("Purpose of the Offer and the Proposed Merger") of the Supplement is incorporated herein by reference.

ITEM 4. SOURCE AND AMOUNT OF FUNDS OR OTHER CONSIDERATION.

The information set forth in Items 4(a) and (b) of the Schedule 14D-1 is hereby amended and supplemented by the following:

The information set forth in Section 8 ("Source and Amount of Funds") of the Supplement is incorporated herein by reference.

ITEM 5. PURPOSE OF THE TENDER OFFER AND PLANS OR PROPOSALS OF THE BIDDER.

The information set forth in Item 5(a)-(g) of the Schedule 14D-1 is hereby amended and supplemented by the following:

The information set forth in the Introduction and Sections 9 ("Background of the Offer since November 9, 1994; Contacts with the Company") and Section 10 ("Purpose of the Offer and the Proposed Merger") of the Supplement is incorporated herein by reference.

ITEM 7. CONTRACTS, ARRANGEMENTS, UNDERSTANDINGS OR RELATIONSHIPS WITH RESPECT TO THE SUBJECT COMPANY'S SECURITIES.

The information set forth in Item 7 of the Schedule 14D-1 is hereby amended and supplemented by the following:

The information set forth in the Introduction, Section 9 ("Background of the Offer since November 9, 1994; Contacts with the Company"), Section 10 ("Purpose of the Offer and the Proposed Merger") and Section 12 ("Certain Legal Matters; Regulatory Approvals") of the Supplement is incorporated herein by reference.

ITEM 10. ADDITIONAL INFORMATION.

The information set forth in Items 10(e) and (f) of the Schedule 14D-1 is hereby amended and supplemented by the following:

(b)-(c) The information set forth in the Introduction and Section 10 ("Purpose of the Offer and the Proposed Merger") of the Supplement is incorporated by reference.

(e) The information set forth in Section 12 ("Certain Legal Matters; Regulatory Approvals") of the Supplement is incorporated herein by reference.

(f) The information set forth in the Supplement and the revised Letter of Transmittal, copies of which are attached hereto as Exhibits (a)(26) and (a)(27), respectively, is incorporated herein by reference.

ITEM 11. MATERIAL TO BE FILED AS EXHIBITS.

(a) (1) Offer to Purchase, dated November 9, 1994.*
(2) Letter of Transmittal.*
(3) Notice of Guaranteed Delivery.*
(4) Letter to Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees.*
(5) Letter to Clients for use by Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees.*
(6) Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9.*
(7) Letter to Participants in the Dividend Reinvestment Plan of Santa Fe Pacific Corporation, dated November 9, 1994.*
(8) Text of Press Release dated November 8, 1994 issued by Union Pacific Corporation.*
(9) Text of Press Release dated November 9, 1994 issued by Union Pacific Corporation.*
(10) Form of Summary Advertisement, dated November 10, 1994.*
(11) Text of Press Release dated November 10, 1994 issued by Union Pacific Corporation.*
(12) None.
(13) Text of Press Release and attached letter dated November 14, 1994 issued by Union Pacific Corporation.*
(14) Text of letter sent by Union Pacific Corporation to the stockholders of Santa Fe Pacific Corporation on November 12, 1994.*
(15) Text of Press Release dated November 17, 1994 issued by Union Pacific Corporation.*
(16) Text of Press Release dated November 22, 1994 issued by Union Pacific Corporation.*
(17) Text of Letter sent by Union Pacific Corporation to the stockholders of Santa Fe Pacific Corporation on November 22, 1994.*
(18) Text of Press Release dated November 28, 1994 issued by Union Pacific Corporation.*

- ---------------
* Previously filed.

(19) Text of Press Release dated December 2, 1994 issued by Union Pacific Corporation.*
(20) Text of Press Release dated December 7, 1994 issued by Union Pacific Corporation.*
(21) Text of Press Release dated December 7, 1994 issued by Union Pacific Corporation.*
(22) Text of Press Release dated December 15, 1994 issued by Union Pacific Corporation.*
(23) Text of Press Release dated December 16, 1994 issued by Union Pacific Corporation.*
(24) Text of Press Release dated December 16, 1994 issued by Union Pacific Corporation.*
(25) Text of Press Release dated December 20, 1994 issued by Union Pacific Corporation.*
(26) Supplement to the Offer to Purchase, dated January 18, 1995.
(27) Revised Letter of Transmittal.
(28) Revised Notice of Guaranteed Delivery.
(29) Revised Letter to Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees.
(30) Revised Letter to Clients for use by Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees.
(31) Revised Letter to Participants in the Dividend Reinvestment Plan of Santa Fe Pacific Corporation.
(32) Form of Notice of Withdrawal.
(33) Text of Press Release dated January 17, 1994 issued by Union Pacific Corporation.

(b) (1) Commitment Letter, dated November 9, 1994, among Union Pacific Corporation, Citicorp Securities, Inc., Credit Suisse and NationsBanc Capital Markets, Inc., as co-arrangers, and Citibank, N.A., Credit Suisse and NationsBank of North Carolina, N.A., as co-administrative agents.*

(c) (1) Draft form of Voting Trust Agreement.*
(2) Interstate Commerce Commission Opinion, dated November 28, 1994.*

(d) Not applicable.

(e) Not applicable.

(f) None.

(g) (1) Consolidated and Amended Complaint ("Consolidated and Amended Complaint") in connection with In re Santa Fe Pacific Shareholder Litigation, filed in the Court of Chancery in Delaware on October 14, 1994.*
(2) First Amended and Supplemental Complaint ("First Amended and Supplemental Complaint") in connection with Union Pacific Corporation and James A. Shattuck v. Santa Fe Pacific Corporation, et al., filed in the Court of Chancery in Delaware on October 19, 1994.*
(3) Answer of Santa Fe Pacific Corporation defendants to Consolidated and Amended Complaint.*
(4) Answer of Santa Fe Pacific Corporation defendants to First Amended and Supplemental Complaint.*
(5) Order of the Court of Chancery in Delaware, dated October 18, 1994, denying Union Pacific Corporation's application for expedited discovery.*
(6) Motion to Dismiss First Amended and Supplemental Complaint, filed by Burlington Northern Inc.*
(7) Proxy Statement, dated October 28, 1994 of Union Pacific Corporation.*
(8) Supplement to Proxy Statement, dated November 9, 1994 of Union Pacific Corporation.*
(9) Letter, dated December 14, 1994, by Union Pacific Corporation to Santa Fe Pacific Corporation.*

- ---------------
* Previously filed.

(10) Letter, dated December 18, 1994, by Union Pacific Corporation to Santa Fe Pacific Corporation.*

(11) Supplement to Proxy Statement, dated January 18, 1995, of Union Pacific Corporation.

(12) Form of Second Amended and Supplemental Complaint in connection with Union Pacific Corporation and James A. Shattuck v. Santa Fe Pacific Corporation, et. al., filed in the Court of Chancery in Delaware on January 18, 1995.

- ---------------

* Previously filed.

SIGNATURE

After due inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Dated: January 18, 1995

UNION PACIFIC CORPORATION

By: /s/ GARY M. STUART

Title: Vice President and Treasurer

SIGNATURE

After due inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Dated: January 18, 1995

UP ACQUISITION CORPORATION

By: /s/ GARY M. STUART

Title: Vice President and Treasurer

EXHIBIT INDEX

EXHIBIT NO.	DESCRIPTION	SEQUENTIALLY NUMBERED PAGE
(a) (1)	Offer to Purchase, dated November 9, 1994.*...........................	
(2)	Letter of Transmittal.*...	
(3)	Notice of Guaranteed Delivery.*.......................................	
(4)	Letter to Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees.*..	
(5)	Letter to Clients for use by Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees.*......................................	
(6)	Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9.*...	
(7)	Letter to Participants in the Dividend Reinvestment Plan of Santa Fe Pacific Corporation, dated November 9, 1994.*.........................	
(8)	Text of Press Release dated November 8, 1994 issued by Union Pacific Corporation.*..	
(9)	Text of Press Release dated November 9, 1994 issued by Union Pacific Corporation.*..	
(10)	Form of Summary Advertisement, dated November 10, 1994.*..............	
(11)	Text of Press Release dated November 10, 1994 issued by Union Pacific Corporation.*..	
(12)	None..	
(13)	Text of Press Release and attached letter dated November 14, 1994 issued by Union Pacific Corporation.*................................	
(14)	Text of letter sent by Union Pacific Corporation to the stockholders of Santa Fe Pacific Corporation on November 12, 1994.*................	
(15)	Text of Press Release dated November 17, 1994 issued by Union Pacific Corporation.*..	
(16)	Text of Press Release dated November 22, 1994 issued by Union Pacific Corporation.*..	
(17)	Text of Letter sent by Union Pacific Corporation to the stockholders of Santa Fe Pacific Corporation on November 22, 1994.*................	
(18)	Text of Press Release dated November 28, 1994 issued by Union Pacific Corporation.*..	
(19)	Text of Press Release dated December 2, 1994 issued by Union Pacific Corporation.*..	
(20)	Text of Press Release dated December 7, 1994 issued by Union Pacific Corporation.*..	
(21)	Text of Press Release dated December 7, 1994 issued by Union Pacific Corporation.*..	
(22)	Text of Press Release dated December 15, 1994 issued by Union Pacific Corporation.*..	
(23)	Text of Press Release dated December 16, 1994 issued by Union Pacific Corporation.*..	
(24)	Text of Press Release dated December 16, 1994 issued by Union Pacific Corporation.*..	

----

* Previously filed.

EXHIBIT NO.	DESCRIPTION	SEQUENTIALLY NUMBERED PAGE
(25)	Text of Press Release dated December 20, 1994 issued by Union Pacific Corporation.*..	
(26)	Supplement to the Offer to Purchase, dated January 18, 1995...........	
(27)	Revised Letter of Transmittal.......................................	
(28)	Revised Notice of Guaranteed Delivery...............................	
(29)	Revised Letter to Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees...	
(30)	Revised Letter to Clients for use by Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees...........................	
(31)	Revised Letter to Participants in the Dividend Reinvestment Plan of Santa Fe Pacific Corporation.......................................	
(32)	Form of Notice of Withdrawal..	
(33)	Text of Press Release dated January 17, 1994 issued by Union Pacific Corporation...	
(b) (1)	Commitment Letter, dated November 9, 1994, among Union Pacific Corporation, Citicorp Securities, Inc., Credit Suisse and NationsBanc Capital Markets, Inc., as co-arrangers, and Citibank, N.A., Credit Suisse and NationsBank of North Carolina, N.A., as co-administrative agents.*..	
(c) (1)	Draft Form of Voting Trust Agreement.*..............................	
(2)	Interstate Commerce Commission Opinion, dated November 28, 1994.*.....	
(d)	Not applicable..	
(e)	Not applicable..	
(f)	None..	
(g) (1)	Consolidated and Amended Complaint ("Consolidated and Amended Complaint") in connection with In re Santa Fe Pacific Shareholder Litigation, filed in the Court of Chancery in Delaware on October 14, 1994.*..	
(2)	First Amended and Supplemental Complaint ("First Amended and Supplemental Complaint") in connection with Union Pacific Corporation and James A. Shattuck v. Santa Fe Pacific Corporation, et al., filed in the Court of Chancery in Delaware on October 19, 1994.*............	
(3)	Answer of Santa Fe Pacific Corporation defendants to Consolidated and Amended Complaint.*..	
(4)	Answer of Santa Fe Pacific Corporation defendants to First Amended and Supplemental Complaint.*...	
(5)	Order of the Court of Chancery in Delaware, dated October 18, 1994, denying Union Pacific Corporation's application for expedited discovery.*...	
(6)	Motion to Dismiss First Amended and Supplemental Complaint, filed by Burlington Northern Inc.*...	
(7)	Proxy Statement, dated October 28, 1994 of Union Pacific Corporation.*...	
(8)	Supplement to Proxy Statement, dated November 9, 1994 of Union Pacific Corporation.*...	
(9)	Letter, dated December 14, 1994, by Union Pacific Corporation to Santa Fe Pacific Corporation.*..	
(10)	Letter, dated December 18, 1994, by Union Pacific Corporation to Santa Fe Pacific Corporation.*..	

- ---------------
* Previously filed.

EXHIBIT NO.	DESCRIPTION	SEQUENTIALLY NUMBERED PAGE
(11)	Supplement to Proxy Statement, dated January 18, 1995, of Union Pacific Corporation..	
(12)	Form of Second Amended and Supplemental Complaint in connection with Union Pacific Corporation and James A. Shattuck v. Santa Fe Pacific Corporation, et. al., filed in the Court of Chancery in Delaware on January 18, 1995..	

- ---------------
* Previously filed.

Supplement to the Offer to Purchase Dated November 9, 1994
UP ACQUISITION CORPORATION
a wholly-owned subsidiary of
UNION PACIFIC CORPORATION

Has Amended Its Offer and is Now Offering to Purchase
All Outstanding Shares of Common Stock
(Including the Associated Preferred Share Purchase Rights)
of
SANTA FE PACIFIC CORPORATION
at
$18.50 NET PER SHARE IN CASH

THE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 12:00 MIDNIGHT, NEW YORK CITY TIME,
ON TUESDAY, FEBRUARY 7, 1995, UNLESS THE OFFER IS EXTENDED.

THIS OFFER IS NOW CONDITIONED UPON, AMONG OTHER THINGS, (1) THERE BEING VALIDLY TENDERED PRIOR TO THE EXPIRATION OF THE OFFER AND NOT WITHDRAWN A NUMBER OF SHARES WHICH, WHEN ADDED TO THE SHARES BENEFICIALLY OWNED BY UP ACQUISITION CORPORATION (THE "PURCHASER") AND ITS AFFILIATES, CONSTITUTES AT LEAST A MAJORITY OF THE SHARES OUTSTANDING ON A FULLY DILUTED BASIS, (2) SANTA FE PACIFIC CORPORATION (THE "COMPANY") HAVING ENTERED INTO A DEFINITIVE MERGER AGREEMENT WITH UNION PACIFIC CORPORATION ("PARENT") AND THE PURCHASER TO PROVIDE FOR THE ACQUISITION OF THE COMPANY PURSUANT TO THE OFFER AND THE PROPOSED MERGER DESCRIBED HEREIN, (3) THE STOCKHOLDERS OF THE COMPANY NOT HAVING APPROVED THE AGREEMENT AND PLAN OF MERGER BETWEEN THE COMPANY AND BURLINGTON NORTHERN INC. (THE "BNI/SFP AGREEMENT"), (4) THE PURCHASER BEING SATISFIED THAT SECTION 203 OF THE DELAWARE GENERAL CORPORATION LAW HAS BEEN COMPLIED WITH OR IS INVALID OR OTHERWISE INAPPLICABLE TO THE OFFER AND THE PROPOSED MERGER, (5) THE PURCHASER BEING SATISFIED THAT THE BNI/SFP AGREEMENT HAS BEEN TERMINATED IN ACCORDANCE WITH ITS TERMS, (6) THE PURCHASER BEING SATISFIED THAT THE RIGHTS (AS DEFINED HEREIN) HAVE BEEN REDEEMED BY THE COMPANY OR THE RIGHTS ARE UNENFORCEABLE OR OTHERWISE INAPPLICABLE TO THE OFFER AND THE PROPOSED MERGER AND (7) THE ABSENCE OF ANY JUDICIAL, ADMINISTRATIVE OR OTHER DETERMINATION INVALIDATING, MODIFYING OR IMPOSING LIMITATIONS UNACCEPTABLE TO THE PURCHASER ON THE INTERSTATE COMMERCE COMMISSION'S (THE "ICC") APPROVAL OF THE PURCHASER'S USE OF A VOTING TRUST. THE OFFER IS ALSO SUBJECT TO OTHER TERMS AND CONDITIONS CONTAINED IN THIS SUPPLEMENT. SEE SECTION 11 OF THIS SUPPLEMENT. THE OFFER IS NOT CONDITIONED UPON APPROVAL BY THE ICC OF THE PURCHASER'S ACQUISITION OF CONTROL OF THE COMPANY. IF THE STOCKHOLDERS OF THE COMPANY APPROVE THE BNI/SFP AGREEMENT, THE PURCHASER WILL TERMINATE THE OFFER. AS DESCRIBED HEREIN, THE PURCHASER WILL WAIVE THE MERGER AGREEMENT CONDITION UPON THE OCCURRENCE OF CERTAIN EVENTS.

IMPORTANT

THE PURCHASER IS CURRENTLY REVIEWING ITS OPTIONS WITH RESPECT TO THE OFFER AND MAY CONSIDER, AMONG OTHER THINGS, CHANGES TO THE MATERIAL TERMS OF THE OFFER. IN ADDITION, PARENT AND THE PURCHASER INTEND TO CONTINUE TO SEEK TO NEGOTIATE WITH THE COMPANY WITH RESPECT TO THE ACQUISITION OF THE COMPANY BY PARENT OR THE PURCHASER. THE PURCHASER RESERVES THE RIGHT TO AMEND THE OFFER (INCLUDING AMENDING THE NUMBER OF SHARES TO BE PURCHASED, THE PURCHASE PRICE AND THE PROPOSED SECOND-STEP MERGER CONSIDERATION) UPON ENTERING INTO A SECOND-STEP MERGER AGREEMENT WITH THE COMPANY OR TO NEGOTIATE A MERGER AGREEMENT WITH THE COMPANY NOT INVOLVING A TENDER OFFER PURSUANT TO WHICH THE PURCHASER WOULD TERMINATE THE OFFER AND THE SHARES WOULD, UPON CONSUMMATION OF SUCH MERGER, BE CONVERTED INTO CASH, SHARES OF COMMON STOCK OF PARENT AND/OR OTHER SECURITIES IN SUCH AMOUNTS AS ARE NEGOTIATED BY PARENT AND THE COMPANY.

Any stockholder desiring to tender all or any portion of such stockholder's Shares and associated Rights should either (i) complete and sign one of the Letters of Transmittal (or a facsimile thereof) in accordance with the instructions in the Letters of Transmittal and mail or deliver it together with the certificate(s) representing tendered Shares, and any other required documents, to the Depositary or tender such Shares pursuant to the procedures for book-entry transfer set forth in Section 3 of the Offer to Purchase or (ii) request such stockholder's broker, dealer, commercial bank, trust company or other nominee to effect the transaction for such stockholder. A stockholder whose Shares are registered in the name of a broker, dealer, commercial bank, trust company or other nominee must contact such broker, dealer, commercial bank, trust company or other nominee if such stockholder desires to tender such Shares.

A stockholder who desires to tender Shares and whose certificates representing such Shares are not immediately available, or who cannot comply with the procedures for book-entry transfer on a timely basis, may tender such Shares by following the procedures for guaranteed delivery set forth in Section 3 of the Offer to Purchase.

Questions and requests for assistance, or for additional copies of the Offer to Purchase, this Supplement, the revised Letter of Transmittal or other tender offer materials, may be directed to the Information Agent or the Dealer Manager

at their respective addresses and telephone numbers set forth on the back cover of the Offer to Purchase or this Supplement. Holders of Shares may also contact brokers, dealers, commercial banks and trust companies for assistance concerning the Offer.

The Dealer Manager for the Offer is:
CS First Boston Corporation

January 18, 1995

TABLE OF CONTENTS

	PAGE
INTRODUCTION	3
THE TENDER OFFER	
1. Amended Terms of the Offer	6
2. Procedures for Tendering Shares	7
3. Withdrawal Rights	8
4. Certain Federal Income Tax Consequences	8
5. Price Range of Shares; Dividends	9
6. Certain Information Concerning the Company	9
7. Certain Information Concerning the Purchaser and Parent	11
8. Source and Amount of Funds	11
9. Background of the Offer since November 9, 1994; Contacts with the Company	12
10. Purpose of the Offer and the Proposed Merger	26
11. Amended Conditions of the Offer	28
12. Certain Legal Matters; Regulatory Approvals	31
13. Miscellaneous	32

To the Holders of Shares of Common Stock of Santa Fe Pacific Corporation:

INTRODUCTION

The following information amends and supplements the Offer to Purchase, dated November 9, 1994 (the "Offer to Purchase"), of UP Acquisition Corporation (the "Purchaser"), a Utah corporation and a wholly-owned subsidiary of Union Pacific Corporation, a Utah corporation ("Parent"), pursuant to which the Purchaser is offering to purchase all of the outstanding shares of Common Stock, par value $1.00 per share (the "Shares"), of Santa Fe Pacific Corporation, a Delaware corporation (the "Company"), including the associated preferred share purchase rights (the "Rights") issued pursuant to the Rights Agreement, dated as of November 28, 1994, between the Company and First Chicago Trust Company of New York, as Rights Agent (the "Rights Agreement"). The Purchaser has increased the price to be paid in the Offer to $18.50 per Share, net to the seller in cash, without interest thereon (the "Offer Price") upon the terms and subject to the conditions set forth in the Offer to Purchase, this Supplement and in the revised Letter of Transmittal (which, as amended from time to time, together constitute the "Offer"). Unless the context requires otherwise, all references to Shares herein and in the Offer to Purchase shall include the Rights, and all references to the Rights shall include all benefits that may inure to the holders of the Rights pursuant to the Rights Agreement.

The purpose of the Offer is to acquire all of the outstanding Shares of the Company. Parent is seeking to negotiate with the Company a definitive acquisition agreement (the "Proposed Merger Agreement") pursuant to which the Company would, as soon as practicable following consummation of the Offer, consummate a merger (the "Proposed Merger") with the Purchaser or another direct or indirect wholly-owned subsidiary of Parent. In the Proposed Merger, at the effective time of the Proposed Merger, each Share that is issued and outstanding immediately prior to the effective time (other than Shares held in the treasury of the Company or owned by Parent, the Purchaser or any direct or indirect wholly-owned subsidiary of Parent and Shares ("Dissenting Shares") held by stockholders who properly exercise appraisal rights under the Delaware General Corporation Law (the "DGCL")) would be converted into the right to receive $18.50 in cash. See Section 10 and Section 11 of the Offer to Purchase and Section 10 of this Supplement. The Company and Burlington Northern Inc. ("BNI") commenced a tender offer on December 23, 1994 (the "Joint Offer") for up to 63,000,000 Shares at $20.00 per Share. See Section 9 of this Supplement.

Except as otherwise set forth in this Supplement, the terms and conditions previously set forth in the Offer to Purchase remain applicable in all respects to the Offer, and this Supplement should be read in conjunction with the Offer to Purchase. Unless the context requires otherwise, terms not defined herein have the meanings ascribed to them in the Offer to Purchase.

THE OFFER IS NOW CONDITIONED UPON, AMONG OTHER THINGS, (1) THERE BEING VALIDLY TENDERED PRIOR TO THE EXPIRATION OF THE OFFER AND NOT WITHDRAWN A NUMBER OF SHARES WHICH, WHEN ADDED TO THE SHARES BENEFICIALLY OWNED BY THE PURCHASER AND ITS AFFILIATES, CONSTITUTES AT LEAST A MAJORITY OF THE SHARES OUTSTANDING ON A FULLY DILUTED BASIS (THE "MINIMUM CONDITION"), (2) THE COMPANY HAVING ENTERED INTO A DEFINITIVE MERGER AGREEMENT WITH PARENT AND THE PURCHASER TO PROVIDE FOR THE ACQUISITION OF THE COMPANY PURSUANT TO THE OFFER AND THE PROPOSED MERGER (THE "MERGER AGREEMENT CONDITION"), (3) THE STOCKHOLDERS OF THE COMPANY NOT HAVING APPROVED THE AGREEMENT AND PLAN OF MERGER BETWEEN THE COMPANY AND BNI (THE "STOCKHOLDER VOTE CONDITION"), (4) THE PURCHASER BEING SATISFIED THAT SECTION 203 OF THE DGCL HAS BEEN COMPLIED WITH OR IS INVALID OR OTHERWISE INAPPLICABLE TO THE OFFER AND THE PROPOSED MERGER, (5) THE PURCHASER BEING SATISFIED THAT THE BNI/SFP AGREEMENT HAS BEEN TERMINATED IN ACCORDANCE WITH ITS TERMS, (6) THE PURCHASER BEING SATISFIED THAT THE RIGHTS HAVE BEEN REDEEMED BY THE COMPANY OR THE RIGHTS ARE UNENFORCEABLE OR OTHERWISE INAPPLICABLE TO THE OFFER AND THE PROPOSED MERGER (THE "RIGHTS CONDITION") AND (7) THE ABSENCE OF ANY JUDICIAL, ADMINISTRATIVE OR OTHER DETERMI-

NATION INVALIDATING, MODIFYING OR IMPOSING LIMITATIONS UNACCEPTABLE TO THE PURCHASER ON THE INTERSTATE COMMERCE COMMISSION'S (THE "ICC") APPROVAL OF THE PURCHASER'S USE OF A VOTING TRUST (THE "VOTING TRUST CONDITION"). THE OFFER IS NOT CONDITIONED UPON APPROVAL BY THE ICC OF THE PURCHASER'S ACQUISITION OF CONTROL OF THE COMPANY. IF THE STOCKHOLDERS OF THE COMPANY APPROVE THE BNI/SFP AGREEMENT, THE PURCHASER WILL TERMINATE THE OFFER. AS DESCRIBED HEREIN, THE PURCHASER WILL WAIVE THE MERGER AGREEMENT CONDITION UPON THE OCCURRENCE OF CERTAIN EVENTS.

THIS SUPPLEMENT DOES NOT CONSTITUTE A SOLICITATION OF PROXIES FOR ANY MEETING OF THE COMPANY'S STOCKHOLDERS. PARENT IS CURRENTLY SOLICITING PROXIES IN OPPOSITION TO THE BNI/SFP AGREEMENT (AS HEREINAFTER DEFINED). SUCH SOLICITATION BY PARENT IS BEING MADE ONLY PURSUANT TO SEPARATE PROXY MATERIALS COMPLYING WITH THE REQUIREMENTS OF SECTION 14(A) OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED (THE "EXCHANGE ACT"). IN ADDITION, THIS SUPPLEMENT IS NEITHER AN OFFER TO SELL NOR A SOLICITATION OF OFFERS TO BUY ANY SECURITIES WHICH MAY BE ISSUED IN ANY MERGER OR SIMILAR BUSINESS COMBINATION INVOLVING THE PURCHASER, PARENT OR THE COMPANY.

The Minimum Condition. The Minimum Condition requires that the number of Shares tendered before the expiration of the Offer and not withdrawn prior to the acceptance of the Shares for payment, together with the Shares beneficially owned by the Purchaser and its affiliates, represent at least a majority of the Shares outstanding on a fully diluted basis. According to the BNI and Santa Fe Pacific Corporation Joint Offer to Purchase, dated December 23, 1994, as supplemented by the Supplement, dated January 13, 1995 (collectively, the "Joint Offer to Purchase"), which is an exhibit to BNI's Statement on Schedule 14D-1, as amended, and the Company's Statement on Schedule 13E-4, as amended, each of which was filed with the Securities and Exchange Commission (the "Commission") pursuant to the Exchange Act, as of December 31, 1994, there were 188,301,537 Shares outstanding and 14,470,071 unexercised options to acquire Shares under various employee stock option plans of the Company. Parent beneficially owns 200 Shares. Based on the foregoing and assuming no additional Shares have been issued since December 31, 1994 (other than Shares issued pursuant to the exercise of the stock options referred to above), if the Purchaser purchases 101,385,605 Shares pursuant to the Offer, the Minimum Condition will be satisfied. For purposes of the Offer, "fully diluted basis" assumes that all outstanding stock options are presently exercisable.

The Merger Agreement Condition. The Merger Agreement Condition requires that the Company enter into a definitive merger agreement with Parent and the Purchaser that would provide for the acquisition of the Company by the Purchaser pursuant to the Offer and the Proposed Merger. In order for the Merger Agreement Condition to be satisfied, the Board of Directors of Parent, the Purchaser and the Company must approve the merger agreement.

THE PURCHASER WILL WAIVE THE MERGER AGREEMENT CONDITION IF AT LEAST 90% OF THE OUTSTANDING SHARES HAVE BEEN TENDERED BEFORE THE EXPIRATION OF THE OFFER AND NOT WITHDRAWN, ALL OTHER CONDITIONS TO THE OFFER HAVE BEEN SATISFIED OR WAIVED AND (1) THE PURCHASER IS SATISFIED IN ITS SOLE DISCRETION THAT, IMMEDIATELY FOLLOWING THE CONSUMMATION OF THE OFFER, THE PURCHASER WILL HAVE THE ABILITY TO EFFECTUATE A SHORT-FORM MERGER UNDER SECTION 253 OF THE DGCL (THE "SHORT-FORM MERGER") AND (2) THE PURCHASER HAS RECEIVED A FAVORABLE INFORMAL, NON-BINDING OPINION OF THE ICC STAFF WITH RESPECT TO, OR ICC APPROVAL OF, AN AMENDMENT TO THE VOTING TRUST AGREEMENT TO ENABLE THE TRUSTEE TO TAKE ACTIONS TO CAUSE THE COMPANY TO COOPERATE WITH THE PURCHASER IN OBTAINING APPROVAL OF THE ICC OF THE ACQUISITION OF CONTROL OF THE COMPANY BY PARENT (THE "ICC CONTROL APPROVAL"). SUCH ACTIONS WOULD INCLUDE (I) AMENDING THE COMPANY'S CERTIFICATE OF INCORPORATION, IN CONNECTION WITH EFFECTING THE SHORT-FORM MERGER, TO ELIMINATE THE CLASSIFIED FORM OF THE COMPANY'S BOARD OF DIRECTORS AND TO ENABLE THE TRUSTEE TO REMOVE THE COMPANY'S DIRECTORS WITHOUT CAUSE AND (II) PROVIDING THAT THE TRUSTEE WOULD ELECT NEW DIRECTORS OF THE COMPANY WHO ARE COMMITTED TO ENTERING INTO AN AGREEMENT TO COOPERATE WITH THE PURCHASER IN OBTAINING THE ICC CONTROL APPROVAL AND WHO ARE COMMITTED TO MAINTAIN THE INTEGRITY OF THE COMPANY'S RAILROAD BUSINESS PENDING RECEIPT OF THE ICC CONTROL APPROVAL. ALTHOUGH FAVORABLE ICC ACTION WITH RESPECT TO THE AMENDMENT TO THE VOTING TRUST AGREEMENT IS EXPECTED, THERE CAN BE NO ASSURANCE THAT SUCH ACTION WILL BE FORTHCOMING. THE PURCHASER INTENDS TO SEEK ICC APPROVAL OF SUCH AMENDMENT TO THE VOTING TRUST AGREEMENT AT SUCH TIME AS THE PURCHASER IS SATISFIED THAT

THE BNI/SFP MERGER AGREEMENT HAS NOT BEEN APPROVED BY THE COMPANY'S STOCKHOLDERS AT THE SPECIAL MEETING (AS DEFINED HEREIN).

In the Short-Form Merger, each Share that is issued and outstanding immediately prior to the effective time of the Short-Form Merger (other than Shares held in the treasury of the Company or owned by Parent, the Purchaser or any direct or indirect wholly-owned subsidiary of Parent and other than Dissenting Shares) would be converted into the right to receive $18.50 in cash.

On October 5, 1994, Parent made a proposal to acquire the Company in a negotiated merger transaction in which the Company's stockholders would receive, per Share, 0.344 of a share of common stock, par value $2.50 per share, of Parent ("Parent Common Stock"), and communicated to the Company its desire to negotiate a definitive merger agreement on mutually acceptable terms and conditions. See Section 10 of the Offer to Purchase. On October 30, 1994, Parent revised its proposal such that the Company's stockholders would receive, per Share, 0.407 of a share of Parent Common Stock, and reaffirmed its desire to negotiate a definitive agreement with the Company.

On November 8, 1994, Parent again revised its proposal to provide that Parent would acquire the Company in a two-step transaction in which Parent would purchase 57.1% of the outstanding Shares on a fully diluted basis in a cash tender offer for $17.50 per Share. Parent would acquire the remaining Shares in a merger in which the Company's stockholders would receive, for each of their remaining Shares, 0.354 of a share of Parent Common Stock. On January 18, 1995, Parent amended the Offer to provide that Parent would purchase all of the outstanding Shares for $18.50 per Share, net to the tendering stockholder in cash. Any Shares not tendered in the Offer will be converted in the Proposed Merger into the right to receive $18.50 in cash. Pursuant to this proposal, Shares acquired in the Offer and the Proposed Merger would be held in the Voting Trust until ICC Control Approval is obtained.

According to the BNI and Santa Fe Pacific Corporation Joint Proxy Statement/Prospectus, dated January 13, 1995 (the "Santa Fe Joint Proxy Statement"), the Company is currently soliciting proxies from its stockholders to vote on the proposed merger of the Company and BNI. The Company, according to the Santa Fe Joint Proxy Statement, has set February 7, 1995 as the date for a special meeting at which stockholders of the Company will vote with respect to the proposed merger of the Company and BNI. The Company and BNI have entered into an Agreement and Plan of Merger, dated as of June 29, 1994, as amended by Amendment, dated as of October 26, 1994, and Amendment No. 2, dated as of December 18, 1994 (such Agreement prior to such amendments, the "Original BNI/SFP Agreement" and, as so amended, the "BNI/SFP Agreement"), between the Company and BNI. Pursuant to the BNI/SFP Agreement, the Company and BNI commenced a tender offer on December 23, 1994 (the "Joint Offer") for up to 63,000,000 Shares (together with the associated Rights) at $20.00 per Share, net to the tendering stockholder in cash. According to the BNI/SFP Agreement, to the extent that the Joint Offer is consummated, and subject to the approval of the BNI/SFP Agreement by the stockholders of BNI and the Company, the Company intends to merge into BNI pursuant to which each outstanding Share not purchased in the Joint Offer will be converted into a right to receive 0.40 shares of BNI common stock, no par value per share (the "BNI Common Stock"). See Section 9 of this Supplement.

Parent is presently soliciting proxies from stockholders of the Company to vote against the proposed merger with BNI. In Parent's Proxy Statement, dated October 28, 1994, as supplemented by the First Supplement and the Second Supplement (the "Parent Proxy Statement"), Parent has stated that, if the Company's stockholders approve the proposed merger with BNI, Parent will terminate the Offer. See Section 10 of the Offer to Purchase and Section 9 of this Supplement.

Parent has moved the Court of Chancery in the State of Delaware for leave to file a Second Amended and Supplemental Complaint (the "Second Amended Complaint") seeking, among other things, a final order (a) requiring the Company to adopt fair and equitable procedures for the consideration of competing bids for the Company, (b) enjoining the operation of the Rights pursuant to the Rights Agreement and declaring the Rights inapplicable or unenforceable as applied to the Offer and the Proposed Merger, (c) declaring that the termination fee and expense reimbursement provisions of the BNI/SFP Agreement are invalid and

unenforceable; and (d) declaring that Parent has not tortiously interfered with the contractual or other legal rights of BNI or the Company. See Section 15 of the Offer to Purchase and Section 12 of this Supplement.

To the extent the Purchaser has not waived the Merger Agreement Condition in accordance with the second paragraph of this subsection, the Purchaser presently intends to extend the Offer from time to time until the Merger Agreement Condition is satisfied or the Purchaser determines, in its sole discretion, that such condition is not reasonably likely to be satisfied under then current circumstances. If the Purchaser determines at any time in its sole discretion that it is unlikely that the Merger Agreement Condition will be satisfied or waived, the Purchaser will terminate the Offer.

The Stockholder Vote Condition. The Stockholder Vote Condition requires that the Company's stockholders not approve the BNI/SFP Agreement at the Special Meeting of Stockholders of the Company scheduled for February 7, 1995 or any postponements, adjournments or reschedulings thereof (the "Special Meeting"). Parent is presently soliciting proxies from stockholders of the Company to vote against approval of the BNI/SFP Agreement. Such solicitation is being made pursuant to separate proxy materials complying with the requirements of Section 14(a) of the Exchange Act. If the stockholders of the Company approve the BNI/SFP Agreement at the Special Meeting, the Purchaser will terminate the Offer as a result of the failure of the Stockholder Vote Condition.

The Rights Condition. The Rights Condition requires that the Purchaser be satisfied in its sole judgment that either the Rights have been redeemed by the Company or the Rights are unenforceable or otherwise inapplicable to the Offer and the Proposed Merger. See Section 6 of this Supplement. A copy of the Rights Agreement was filed with the Commission as an Exhibit to the Company's Registration Statement on Form 8-A, dated November 28, 1994 (the "Company 8-A"), and should be available for inspection, and copies may be obtained, in the same manner as set forth in Section 7 of the Offer to Purchase.

Parent believes that the Rights Agreement, as currently in effect, violates applicable law and that under the circumstances of the Offer and applicable law, the Board of Directors of the Company has a fiduciary responsibility to redeem the Rights. Parent has moved the Court of Chancery in the State of Delaware for leave to file its Second Amended Complaint seeking, among other things, an order enjoining the operation of the Rights and declaring that the Rights are inapplicable or unenforceable as applied to the Offer and the Proposed Merger.

The Voting Trust Condition. Parent has received an informal, non-binding, staff opinion from the ICC authorizing the use of a Voting Trust in its proposed combination with the Company. The receipt of such opinion was described in the Offer to Purchase as the Voting Trust Approval Condition to the Offer. The ICC also issued an order of the full Commission approving the Voting Trust. Consummation of the Offer is now conditioned upon the absence of any judicial, administrative or other determination invalidating, modifying or imposing limitations unacceptable to the Purchaser on the ICC's approval of the use of a Voting Trust to acquire control of the Company.

Certain other conditions to consummation of the Offer are described in Section 11 of this Supplement. The Purchaser expressly reserves the right to waive any one or more of the conditions to the Offer. See Section 11 of this Supplement.

THE OFFER TO PURCHASE, THIS SUPPLEMENT AND THE REVISED LETTER OF TRANSMITTAL CONTAIN IMPORTANT INFORMATION WHICH SHOULD BE READ CAREFULLY BEFORE ANY DECISION IS MADE WITH RESPECT TO THE OFFER.

1. AMENDED TERMS OF THE OFFER. The terms of the Offer are set forth in Section 1 of the Offer to Purchase as supplemented by Section 1 of this Supplement.

The Offer is being made for all of the outstanding Shares. The price per Share to be paid pursuant to the Offer has been increased from $17.50 per Share to $18.50 per Share, net to the seller in cash and without interest thereon. Upon the terms and subject to the conditions of the Offer (including, if the Offer is extended or amended, the terms and conditions of any extension or amendment), the Purchaser will accept for payment and pay the increased price for all of the Shares validly tendered prior to the Expiration Date (as hereinafter

defined) and not withdrawn in accordance with Section 4 of the Offer to Purchase and Section 3 of this Supplement (including Shares tendered prior to the date of this Supplement). The term "Expiration Date" means 12:00 Midnight, New York City time, on Tuesday, February 7, 1995 unless and until the Purchaser, in its sole discretion, shall have extended the period of time during which the Offer is open, in which event the term "Expiration Date" shall mean the latest time and date at which the Offer, as so extended by the Purchaser, shall expire.

Consummation of the Offer is conditioned upon, among other things, satisfaction of the Minimum Condition, the Merger Agreement Condition, the Stockholder Vote Condition, the Rights Condition and the Voting Trust Condition. If any or all of such conditions are not satisfied or any or all of the other events set forth in Section 11 of this Supplement shall have occurred or shall be determined by the Purchaser to have occurred prior to the Expiration Date, the Purchaser reserves the right (but shall not be obligated) to (i) decline to purchase any or all of the Shares tendered and terminate the Offer, and return all tendered Shares to tendering stockholders, (ii) waive or reduce the Minimum Condition or waive or reduce any or all other conditions and, subject to complying with applicable rules and regulations of the Commission, purchase all Shares validly tendered, or (iii) extend the Offer and, subject to the right of stockholders to withdraw Shares (as specified in Section 4 of the Offer to Purchase and Section 3 of the Supplement) retain the Shares which have been tendered during the period or periods for which the Offer is extended.

The Purchaser expressly reserves the right, in its sole discretion, at any time and from time to time, to extend for any reason the period of time during which the Offer is open, including the occurrence of any of the events specified in Section 11 of this Supplement, by giving oral or written notice of such extension to the Depositary. During any such extension, all Shares previously tendered and not withdrawn will remain subject to the Offer, subject to the rights of a tendering stockholder to withdraw its Shares. See Section 4 of the Offer to Purchase and Section 3 of this Supplement.

Subject to the applicable regulations of the Commission, the Purchaser also expressly reserves the right, in its sole discretion at any time and from time to time, (i) to delay acceptance for payment of, or, regardless of whether such Shares were theretofore accepted for payment, payment for, any Shares pending receipt of any regulatory approval specified in Section 15 of the Offer to Purchase and Section 12 of this Supplement (other than ICC Control Approval) or in order to comply in whole or in part with any other applicable law, (ii) to terminate the Offer and not accept for payment any Shares if any of the conditions referred to in Section 11 of this Supplement has not been satisfied or upon the occurrence of any of the events specified in Section 11 of this Supplement and (iii) to waive any condition or otherwise amend the Offer in any respect by giving oral or written notice of such delay, termination, waiver or amendment to the Depositary and by making a public announcement thereof.

On or about January 18, 1995, the Purchaser sent or gave this Supplement and the revised Letter of Transmittal and other relevant materials to the Company's stockholders and sent or gave such materials, for subsequent transmittal to beneficial owners of Shares, to brokers, dealers, commercial banks, trust companies and similar persons whose names, or the names of whose nominees, appear on the stockholder list of the Company or, if applicable, who are listed as participants in a clearing agency's security position listing.

2. PROCEDURES FOR TENDERING SHARES. Procedures for tendering Shares are set forth in Section 3 of the Offer to Purchase, as supplemented by this Section 2 of this Supplement.

Tendering stockholders should use the revised GREEN Letter of Transmittal or the revised YELLOW Notice of Guaranteed Delivery included with this Supplement. However, to the extent the GREEN Letter of Transmittal or the revised YELLOW Notice of Guaranteed Delivery is not obtainable, tendering stockholders may continue to use the GOLD Letter of Transmittal and the BLUE Notice of Guaranteed Delivery that were provided with the Offer to Purchase. Although such GOLD Letter of Transmittal indicates that the Offer will expire at 12:00 Midnight, New York City time, on Thursday, December 8, 1994, stockholders will be able to tender their Shares pursuant to the Offer until 12:00 Midnight, New York City time, on Tuesday, February 7, 1995 (or such later date to which the Offer may be extended). STOCKHOLDERS WHO HAVE PREVIOUSLY VALIDLY TENDERED SHARES PURSUANT TO THE OFFER USING THE GOLD LETTER OF TRANSMITTAL OR THE BLUE NOTICE OF

GUARANTEED DELIVERY AND WHO HAVE NOT PROPERLY WITHDRAWN SUCH SHARES HAVE VALIDLY TENDERED SUCH SHARES FOR THE PURPOSES OF THE OFFER, AS AMENDED, AND NEED NOT TAKE ANY FURTHER ACTION.

Unless the Rights are redeemed prior to the expiration of the Offer, stockholders will be required to tender one Right for each Share tendered in order to effect a valid tender of such Share. If Right Certificates (as defined herein) have been distributed to holders of Shares prior to the date of tender pursuant to the Offer, Right Certificates representing a number of Rights equal to the number of Shares being tendered must be delivered to the Depositary in order for such Shares to be validly tendered. If Right Certificates have not been distributed prior to the time Shares are tendered pursuant to the Offer, a tender of Shares without Rights constitutes an agreement by the tendering stockholder to deliver Right Certificates representing a number of Rights equal to the number of Shares tendered pursuant to the Offer to the Depositary within five New York Stock Exchange, Inc. ("NYSE") trading days after the date Right Certificates are distributed. The Purchaser reserves the right to require that it receive such Right Certificates prior to accepting Shares for payment. Payment for Shares tendered and accepted for payment pursuant to the Offer will be made only after timely receipt by the Depositary of, among other things, Right Certificates, if such certificates have been distributed to holders of Shares. The Purchaser will not pay any additional consideration for the Rights tendered pursuant to the Offer.

3. WITHDRAWAL RIGHTS. The discussion set forth in Section 4 of the Offer to Purchase is hereby amended and supplemented as follows:

Shares tendered pursuant to the Offer may be withdrawn at any time prior to the acceptance for payment of Shares in the Offer.

Shareholders who have previously tendered their Shares in the Joint Offer and who desire assistance in withdrawing such Shares or who would like to obtain a Notice of Withdrawal should contact the Information Agent in the manner specified on the back cover of this Supplement.

4. CERTAIN FEDERAL INCOME TAX CONSEQUENCES. The discussion set forth in Section 5 of the Offer to Purchase is hereby amended and restated as follows:

The following discussion is a summary of the material federal income tax consequences of the Offer and Proposed Merger to holders of Shares who hold the Shares as capital assets. The discussion set forth below is for general information only and may not apply to particular categories of holders of Shares subject to special treatment under the Internal Revenue Code of 1986, as amended (the "Code"), such as foreign holders and holders who acquired such Shares pursuant to an exercise of an employee stock option or otherwise as compensation.

Consequences of the Offer and the Proposed Merger Generally. If the Proposed Merger is consummated, the Offer and Proposed Merger should be treated as a single integrated transaction for federal income tax purposes, and the Offer and Proposed Merger together would be a taxable transaction for federal income tax purposes and may be a taxable transaction for foreign, state and local income tax purposes as well. If, for any reason, the Proposed Merger were not consummated, the receipt of cash pursuant to the Offer would still be a taxable exchange.

In general, a stockholder of the Company who, pursuant to the Offer and/or the Proposed Merger, exchanges Shares for cash will recognize capital gain or loss on the date of acceptance of Shares for purchase pursuant to the Offer or at the effective time of the Proposed Merger, as the case may be, in an amount equal to the difference between the amount of cash received and the stockholder's adjusted tax basis in the Shares accepted for payment in the Offer or surrendered in the Proposed Merger. The gain or loss will be long-term capital gain or loss if, as of the date of the exchange pursuant to the Offer or as of the effective time of the Proposed Merger, the holder thereof has held such Shares for more than one year.

If a holder of Shares owns more than one "block" of stock (i.e., Shares acquired at the same time in a single transaction) gain or loss must be determined separately for each block held. In general, the amount of cash received must be allocated ratably among the blocks in the proportion that the number of Shares in a particular block bears to the total number of Shares held by such stockholder.

Withholding. Unless a stockholder complies with certain reporting and/or certification procedures or is an exempt recipient under applicable provisions of the Code and Treasury Regulations promulgated thereunder, such stockholder may be subject to withholding tax of 31% with respect to any cash payments received pursuant to the Offer and Proposed Merger. Stockholders should consult their brokers to ensure compliance with such procedures. Foreign stockholders should consult with their own tax advisors regarding withholding taxes in general.

THE ABOVE DISCUSSION MAY NOT APPLY TO PARTICULAR CATEGORIES OF HOLDERS OF SHARES SUBJECT TO SPECIAL TREATMENT UNDER THE CODE, SUCH AS FOREIGN HOLDERS AND HOLDERS WHOSE SHARES WERE ACQUIRED PURSUANT TO THE EXERCISE OF AN EMPLOYEE STOCK OPTION OR OTHERWISE AS COMPENSATION. STOCKHOLDERS OF THE COMPANY ARE URGED TO CONSULT THEIR OWN TAX ADVISORS TO DETERMINE THE SPECIFIC TAX CONSEQUENCES OF THE OFFER AND THE PROPOSED MERGER, INCLUDING ANY STATE, LOCAL OR OTHER TAX CONSEQUENCES OF THE OFFER AND THE PROPOSED MERGER.

5. PRICE RANGE OF SHARES; DIVIDENDS. The discussion set forth in Section 6 of the Offer to Purchase is hereby amended and supplemented as follows:

The following table sets forth, for the quarters indicated, the high and low sales prices per Share on the NYSE as reported by the Dow Jones News Service.

	MARKET PRICE	
	HIGH	LOW
FISCAL YEAR ENDED DECEMBER 31, 1994:		
Fourth Quarter	$17 5/8	$12 1/8
FISCAL YEAR ENDING DECEMBER 31, 1995:		
First Quarter (Through January 17, 1995)	17 7/8	17 3/8

On January 17, 1995, the last full trading day prior to Parent's announcement that it was amending the Offer upon the terms set forth in this Supplement, the closing sale price per Share as reported on the NYSE was $17 7/8. STOCKHOLDERS ARE URGED TO OBTAIN A CURRENT MARKET QUOTATION FOR THE SHARES.

6. CERTAIN INFORMATION CONCERNING THE COMPANY. The discussion set forth in Section 7 of the Offer to Purchase is hereby amended and supplemented as follows:

The Rights. The following is a summary of the material terms of the Rights Agreement. This summary is qualified in its entirety by reference to the Rights Agreement, a copy of which was filed with the Commission as an Exhibit to the Company 8-A and should be available for inspection, and copies may be obtained, in the same manner as set forth in Section 7 of the Offer to Purchase. The Company 8-A describes the Rights as follows:

> On November 28, 1994, the Board of Directors of [the Company] declared a dividend distribution of one Right for each outstanding share of common stock, par value $1.00 per share (the "Common Stock") of the Company to stockholders of record at the close of business on December 9, 1994 (the "Record Date"). Except as described below, each Right, when exercisable, entitles the registered holder to purchase from the Company one one-hundredth of a share of Series A Junior Participating Preferred Stock, par value $1.00 per share (the "Preferred Stock"), at a purchase price of $50.00 per one one-hundredth of a Preferred Share (the "Purchase Price"), subject to adjustment. The description and terms of the Rights are set forth in [the Rights Agreement].
>
> Initially, the Rights will be attached to all Common Stock certificates representing shares then outstanding, and no separate Right Certificates will be distributed. Until the earlier to occur of (i) 10 days following a public announcement that a person or group of affiliated or associated persons (an "Acquiring Person") has acquired, or obtained the right to acquire, beneficial ownership of 10% or more of the outstanding shares of Common Stock (the "Shares Acquisition Date") or (ii) 15 business days (or such later date as may be determined by action of the Board of Directors of the Company (the "Board of Directors") prior to the time that any person becomes an Acquiring Person) following the commencement of (or a public announcement of an intention to make) a tender or exchange offer if, upon

consummation thereof, such person or group would be the beneficial owner of 10% or more of such outstanding shares of Common Stock (the earlier of such dates being called the "Distribution Date"), the Rights will be evidenced by the Common Stock certificates together with a copy of the Summary of Rights Plan and not by separate certificates.

The Rights Agreement also provides that, until the Distribution Date, the Rights will be transferred with and only with the Common Stock. Until the Distribution Date (or earlier redemption, expiration or termination of the Rights), the transfer of any certificates for Common Stock with or without a copy of [the] Summary of Rights Plan will also constitute the transfer of the Rights associated with the Common Stock represented by such certificates. As soon as practicable following the Distribution Date, separate certificates evidencing the Rights ("Right Certificates") will be mailed to holders of record of the Common Stock as of the close of business on the Distribution Date and, thereafter, such separate Right Certificates alone will evidence the Rights.

The Rights are not exercisable until the Distribution Date and will expire at the earliest of (i) December 9, 2004 (the "Final Expiration Date"), (ii) the redemption of the Rights by the Company as described below, (iii) the time immediately prior to the effectiveness of the merger of the Company with and into [BNI] pursuant to the [BNI/SFP Agreement], as such [agreement] may be amended from time to time, and (iv) the exchange of all Rights for Common Stock as described below.

In the event that any person (other than the Company, its affiliates or any person receiving newly-issued shares of Common Stock directly from the Company) becomes the beneficial owner of 10% or more of the then outstanding shares of Common Stock, each holder of a Right will thereafter have the right to receive, upon exercise at the then current exercise price of the Right, Common Stock (or, in certain circumstances, cash, property or other securities of the Company) having a value equal to two times the exercise price of the Right. The Rights Agreement contains an exemption for any issuance of Common Stock by the Company directly to any person (for example, in a private placement or an acquisition by the Company in which Common Stock is used as consideration), even if that person would become the beneficial owner of 10% or more of the Common Stock, provided that such person does not acquire any additional shares of Common Stock.

In the event that, at any time following the Shares Acquisition Date, the Company is acquired in a merger or other business combination transaction or 50% or more of the Company's assets or earning power are sold, proper provision will be made so that each holder of a Right will thereafter have the right to receive, upon exercise at the then current exercise price of the Right, common stock of the acquiring or surviving company having a value equal to two times the exercise price of the Right.

Notwithstanding the foregoing, following the occurrence of any of the events set forth in the preceding two paragraphs (the "Triggering Events"), any Rights that are, or (under certain circumstances specified in the Rights Agreement) were, beneficially owned by any Acquiring Person will immediately become null and void.

The Purchase Price payable, and the number of shares of Preferred Stock or other securities or property issuable, upon exercise of the Rights, are subject to adjustment from time to time to prevent dilution, among other circumstances, in the event of a stock dividend on, or a subdivision, split, combination, consolidation or reclassification of, the Preferred Stock or the Common Stock, or a reverse split of the outstanding shares of Preferred Stock or the Common Stock.

At any time after the acquisition by a person or group of affiliated or associated persons of beneficial ownership of 10% or more of the outstanding Common Stock and prior to the acquisition by such person or group of 50% or more of the outstanding Common Stock, the Board of Directors may exchange the Rights (other than Rights owned by such person or group, which have become void), in whole or in part, at an exchange ratio of one share of Common Stock per Right (subject to adjustment).

With certain exceptions, no adjustment in the Purchase Price will be required until cumulative adjustments require an adjustment of at least 1% in the Purchase Price. The Company will not be required to issue fractional shares of Preferred Stock or Common Stock (other than fractions in multiples

of one one-hundredths of a share of Preferred Stock) and, in lieu thereof, an adjustment in cash may be made based on the market price of the Preferred Stock or Common Stock on the last trading date prior to the date of exercise.

At any time after the date of the Rights Agreement until the time that a person becomes an Acquiring Person, the Board of Directors may redeem the Rights in whole, but not in part, at a price of $.01 per Right (the "Redemption Price"), which may (at the option of the Company) be paid in cash, shares of Common Stock or other consideration deemed appropriate by the Board of Directors. Upon the effectiveness of any action of the Board of Directors ordering redemption of the Rights, the Rights will terminate and the only right of the holders of Rights will be to receive the Redemption Price.

Until a Right is exercised, the holder thereof, as such, will have no rights as a stockholder of the Company, including, without limitation, the right to vote or to receive dividends.

The provisions of the Rights Agreement may be amended by the Company, except that any amendment adopted after the time that a person becomes an Acquiring Person may not adversely affect the interests of holders of Rights.

. . . Each outstanding share of Common Stock on December 9, 1994 will receive one Right. Two million five hundred thousand (2,500,000) shares of Preferred Stock will be reserved for issuance in the event of exercise of the Rights.

The Rights have certain anti-takeover effects. The Rights will cause substantial dilution to a person or group that attempts to acquire the Company without conditioning the offer on the Rights being redeemed or a substantial number of Rights being acquired, and under certain circumstances the Rights beneficially owned by such a person or group may become void. The Rights should not interfere with any merger or other business combination approved by the Board of Directors because, if the Rights would become exercisable as a result of such merger or business combination, the Board of Directors may, at its option, at any time prior to the time that any Person becomes an Acquiring Person, redeem all (but not less than all) of the then outstanding Rights at the Redemption Price.

On November 29, 1994, the Company announced that its Board of Directors had postponed the Distribution Date until December 16, 1994. On December 15, 1994, the Company announced that its Board of Directors had postponed the Distribution Date until January 31, 1995.

7. CERTAIN INFORMATION CONCERNING THE PURCHASER AND PARENT. The discussion set forth in Section 8 of the Offer to Purchase is hereby amended and supplemented as follows:

On December 31, 1994, Parent consummated the previously announced sale of its waste management subsidiary, USPCI, Inc., to Laidlaw, Inc. for $225 million plus the assumption of certain financial and other liabilities.

8. SOURCE AND AMOUNT OF FUNDS. The discussion set forth in Section 9 of the Offer to Purchase is hereby amended and supplemented as follows:

As a result of the amended Offer, the Purchaser now estimates that the total amount of funds necessary to acquire the outstanding Shares pursuant to the Offer and the Proposed Merger and to pay related fees and expenses will be approximately $3.8 billion.

As stated in the Offer to Purchase, the Purchaser plans to obtain the necessary funds through capital contributions or advances made by Parent. Parent initially planned to obtain at least a portion of the funds for such capital contributions or advances from its loan facilities to be established pursuant to a commitment letter (the "Commitment"), dated November 9, 1994, among Parent, Citicorp Securities, Inc., Credit Suisse and NationsBank Capital Markets, Inc., as co-arrangers, and Citibank, N.A., Credit Suisse and NationsBank of North Carolina, N.A., as co-administrative agents, to provide Parent and the Purchaser with a revolving credit facility (the "Facility") in the amount of $2 billion. The commitment of the banks pursuant to the Commitment is subject to negotiation and execution of a definitive credit agreement with respect to the Facility and related documents. The Commitment is subject to certain specified conditions including, among

other things, (i) the absence of a material adverse change in the business, financial condition, operations, performance or properties of Parent, or Parent and its subsidiaries taken as a whole, since December 31, 1993, except as disclosed in Parent's most recent annual report on Form 10-K or in its quarterly reports on Form 10-Q for the first two fiscal quarters of 1994, (ii) the absence of any change in loan syndication, financial or capital market conditions generally that, in the reasonable judgment of the co-arrangers, would materially impair syndication of the Facility, (iii) the absence of a material change in the terms of the Offer as announced on November 8, 1994 and (iv) the absence of any litigation or other proceedings that could reasonably be expected to have a material adverse effect upon the syndication of the Facility or upon the business, financial condition, operations, performance or properties of Parent, or Parent and its subsidiaries taken as a whole. The Commitment terminates on February 10, 1995, unless extended, if definitive credit documentation has not been executed prior to that date. The Purchaser is engaged in discussions with these lenders to increase the size of the facility to an amount sufficient to obtain all funds necessary to acquire the outstanding Shares pursuant to the Offer and the Proposed Merger and to pay related fees and expenses. In addition, the Purchaser is also engaged in discussions with the lenders concerning the possible waiver or modification of condition (iii) described above. There can be no assurance that these discussions will result in an increase in the size of the facility or a waiver or modification of condition (iii).

The final maturity of the Facility is expected to be up to five years from the date the definitive credit documentation is executed. The interest on the drawings under the Facility is expected to be in the range of .325% to 1.00% above the London Interbank Offered Rate per annum, based on Parent's credit rating. Alternatively, at Parent's option, the interest on the drawings may be calculated at a specified percentage above a base rate, as determined by the parties, or through a competitive bid or special rate loan procedure.

The proceeds of the Facility will be made available to finance the payment obligations arising out of the Offer and the Proposed Merger. Additional funds which are required to acquire the outstanding Shares pursuant to the Offer and the Proposed Merger will be obtained in the manner described in Section 9 of the Offer to Purchase.

9. BACKGROUND OF THE OFFER SINCE NOVEMBER 9, 1994; CONTACTS WITH THE COMPANY. The discussion set forth in Section 10 of the Offer to Purchase is hereby amended and supplemented as follows:

On November 9, 1994, Parent announced that it had commenced the Offer.

On November 10, 1994, Parent published a summary advertisement announcing the commencement of the Offer. Also on November 10, Parent announced that it had signed a commitment letter with a group of banks to provide aggregate financing of $2 billion for the Offer.

According to the Joint Offer to Purchase, on November 11, 1994, the Company requested that BNI consider restructuring the merger in response to the Purchaser's announcement that it would establish the Voting Trust. BNI did not make a substantive response to this request.

On November 13, 1994, Dick Davidson, President of Parent and Chairman and Chief Executive Officer of Union Pacific Railroad Company, sent the following letter to Robert D. Krebs, Chairman, President and Chief Executive Officer of the Company:

November 13, 1994

Mr. Robert D. Krebs
Chairman, President & CEO
Santa Fe Pacific Corporation
1700 East Golf Road
Schaumburg, Illinois 60173

Dear Rob:

I am writing to express our disappointment with your continued refusal to discuss our proposal. Five days ago, we submitted a newly structured proposal to negotiate an acquisition of Santa Fe. The value of

our proposed transaction represents a premium to the consideration in your proposed Burlington Northern merger. We included a voting trust in order to eliminate the risk to Santa Fe shareholders of ICC review of a Santa Fe/Union Pacific combination. Although you have repeatedly said that you would consider such a proposal, we have heard nothing from you.

We believe our proposal is superior to the Burlington Northern merger in terms of price, timing and certainty. We assume you are talking with Burlington Northern to see if they will improve their transaction. One cannot conduct a fair auction by negotiating and sharing information with only one of the bidders. In light of our current proposal, we believe it is contrary to the best interests of your shareholders and a clear violation of your Board of Directors' fiduciary duties for you to refuse to talk with us.

It is not possible for you to "consider" our proposal fairly without meeting with us. We are prepared to negotiate any and all of the contractual terms of our draft merger agreement provided to you last Thursday. For instance, as we indicated in our draft agreement, we are prepared to discuss the conditions to our tender offer in the context of a negotiated transaction. We are also prepared to discuss any issues you may have concerning the structure of, or process for using, a voting trust.

We note that our draft merger agreement, unlike your agreement with Burlington Northern, would provide Santa Fe with the right to terminate the agreement in order to accept a superior competing offer. We strongly urge that you not enter into any further agreement with Burlington Northern (including any additional amendment to your existing merger agreement) without including such a right of termination. This is especially appropriate and important in light of our proposal.

Delaware law and your Board's fiduciary duties require that you establish a level playing field. You have flexibility to achieve this without violating your contractual obligations to Burlington Northern. It is time for you to act in the best interest of your shareholders and in accordance with your fiduciary obligations by meeting with us now.

Your shareholders' meeting is scheduled to be held in only five days. Please call me so that we can arrange a time and place for a meeting.

Sincerely,

/s/ Dick Davidson

cc: Board of Directors
Santa Fe Pacific Corporation

On November 14, 1994, according to the Joint Offer to Purchase, Alleghany Corporation ("Alleghany"), the holder of approximately 7% of the Shares, sent a letter to the Company in which it indicated that it would be interested in providing equity financing for a recapitalization of the Company designed to permit the Company to remain as an independent company. Alleghany stated, by way of illustration, that such a recapitalization might be financed through Company borrowings and the purchase by Alleghany of up to $300 million of convertible preferred stock of the Company.

On November 14, 1994, the Company issued a press release stating that the Company's Board of Directors postponed the Special Meeting of Shareholders to vote on the BNI/SFP Agreement until Friday, December 2, 1994.

On November 22, 1994, the Company's Board of Directors recommended that stockholders not tender their Shares to Parent. The Company's Solicitation/Recommendation Statement on Schedule 14D-9, dated November 22, 1994 (together with all amendments thereto, the "Schedule 14D-9"), disclosed that the Board had based its recommendation on the following factors: (i) it is unclear whether or when the ICC opinion will be issued on the Voting Trust and whether the ICC may prevent Parent from using a Voting Trust; (ii) Parent's proposal is a taxable transaction, whereas BNI's proposal is non-taxable; and (iii) Parent's offer is subject to a number of other conditions which suggest that the proposal is too uncertain to be considered a

firm alternative to the BNI/SFP Agreement. The Schedule 14D-9 stated that the Company's Board believes that Parent should improve the financial terms of its latest proposal. Also on November 22, 1994, Mr. Davidson sent the following letter to Mr. Krebs commenting on, among other things, the Schedule 14D-9:

November 22, 1994

Mr. Robert D. Krebs
Chairman, President and CEO
Santa Fe Pacific Corporation
1700 East Golf Road
Schaumburg, IL 60173

Dear Rob:

Two weeks ago, we submitted our revised proposal to negotiate an acquisition of Santa Fe. Our terms and structure -- fair price and a voting trust -- meet the criteria that you have set forth on a number of occasions for considering our proposal. Since making our proposal, despite our repeated requests to begin discussions, you have refused to talk or meet with us.

Today, I received your letter and a copy of your Schedule 14D-9 filing in which you publicly recommended that your stockholders not tender their shares. The stated reasons for your Board's rejection of our proposal are unpersuasive and, we believe, misleading in many respects. Of equal importance, the issues you raise are precisely the issues you should have been discussing with us during the last two weeks.

Your first objection relates to our proposed use of a voting trust -- notwithstanding your own previous demands that we propose a voting trust. You point out the obvious fact that we have not yet obtained Interstate Commerce Commission approval to use the trust. Yet, you fail to mention that the use of a trust in a situation such as ours has never been denied by the ICC. We believe that ICC approval of our trust will be forthcoming shortly.

You ask us to improve the financial terms of our proposal, yet you fail to mention that our proposal represents a premium to the consideration in your proposed Burlington Northern merger, which has been endorsed by your financial advisors as fair to your shareholders. We were surprised by the failure in your Schedule 14D-9 to advise Santa Fe shareholders of the views of your financial advisors as to the fairness of our offer. We believe it is highly unusual for a board of directors to make a recommendation without obtaining such advice. If your Board did obtain such advice, it should have been disclosed to your shareholders.

You claim that our proposal is too conditional, yet you fail to mention that we advised you in writing on November 13 that we were prepared to negotiate all contractual terms of our proposal, including the conditions to our tender offer. We believe the condition of ICC approval of your merger with Burlington Northern creates considerable uncertainty for that transaction. Our proposal would eliminate that risk for your shareholders.

You note that our transaction is a taxable one, yet you fail to mention our continued willingness to discuss with Santa Fe our tax-free, stock-for-stock proposal.

Finally, you ask for "clarification" of these issues. Can there be any effective way of obtaining clarification other than for you to meet with us? You say your recommendation is "subject to change as events unfold" that "clarify" our proposal, yet you have resisted obtaining such clarification.

The process you have established of engaging in discussions and sharing information with Burlington Northern while refusing to talk or meet with us prevents us from competing on an equal basis. This process cannot possibly allow you and your Board of Directors to fulfill your fiduciary duty and maximize value for your shareholders.

We again call on you to establish a fair process and meet with us.

Sincerely,

/s/ Dick Davidson

cc: Board of Directors
Santa Fe Pacific Corporation

On November 23, 1994, Parent announced that it expected to extend the Offer beyond the December 8, 1994 deadline because of the Company's unwillingness to negotiate a merger agreement.

On November 25 and November 27, 1994, representatives of the Company's financial advisor and representatives of Parent's financial advisor discussed whether Parent would be willing to increase the price of its proposal.

On November 28, 1994, Parent announced that it had received an informal, non-binding opinion from the staff of the ICC authorizing the use of the voting trust in its proposed transaction with the Company. Also on November 28, 1994, Parent announced that Mr. Davidson sent the following letter to Mr. Krebs:

November 28, 1994

Mr. Robert D. Krebs
Chairman, President and CEO
Santa Fe Pacific Corporation
1700 East Golf Road
Schaumburg, IL 60173
Dear Rob:

In several recent communications, you have insisted that Union Pacific improve its proposal as a pre-condition to your having any discussions or sharing any information with us. We believe this position only creates an additional impediment to your establishing a fair process for the sale of Santa Fe.

Over the last two months, we have unilaterally made three attractive proposals to negotiate an acquisition of Santa Fe. During this period, you have consistently refused to talk or to meet with us and have been unwilling to provide us with any of the confidential information that you furnished to Burlington Northern.

As you know, the Interstate Commerce Commission today approved the use of a voting trust in our proposed acquisition. We believe our current proposal is superior to that of Burlington Northern in terms of price, form of consideration, timing and certainty. The next step should be yours. It is time to begin discussions and to share information.

Sincerely,

/s/ Dick Davidson

cc: Board of Directors
Santa Fe Pacific Corporation

On November 29, 1994, the Company announced that it had postponed from December 2, 1994 to December 16, 1994 the Special Meeting of stockholders to vote on the Original BNI/SFP Agreement. The Company also announced that it would meet with Parent in an effort to clarify and improve Parent's Offer and that the Company's Board had adopted the Rights Agreement. In addition, the Company stated that the Board had postponed the distribution date of the Rights from December 1, 1994 to December 16, 1994. Later on November 29, 1994, Parent's financial advisor telephoned the Company's financial advisor to discuss a

possible negotiation process between the parties and Parent's access to certain confidential information regarding the Company.

According to the Joint Offer to Purchase, on December 2, 1994, the Company asked BNI to consider revising the Original SFP/BNI Agreement to provide for a higher exchange ratio combined with tender offers by BNI and the Company for Shares and open market repurchases by the Company of Shares after the tender offer and prior to consummation of the merger, in each case contingent on stockholder approval of the merger. The Company advised BNI that, based on discussions with some of the Company's large stockholders, such a revision might draw the support of those stockholders. BNI made no substantive response to this request.

On December 3, 1994, representatives of Parent and Parent's legal and financial advisors met with the Company's legal advisors to review and discuss certain financial and other information regarding the Company. After appropriate provisions had been agreed to limiting Parent's access to certain commercially sensitive information, Parent's legal and financial advisors were allowed to review certain additional information.

On December 4, 1994, representatives of Parent met with representatives of the Company at the Company's offices in Schaumburg, Illinois. At this meeting, the parties discussed certain financial and other information regarding the Company.

During early December, legal advisors of Parent and legal advisors of the Company conducted discussions with respect to a proposed merger agreement. During these discussions, the legal advisors discussed, among other things, the conditions to the original Offer and a proposed merger agreement. In order to address the Company's concerns set forth in their Schedule 14D-9 (as set forth above and below), Parent's legal advisors sent proposed revised conditions to the Company's legal advisors. Parent and the Purchaser believe that substantial progress was made in these discussions in negotiating a mutually satisfactory merger agreement, although no final agreement was reached.

On December 7, 1994, Parent announced that it had extended the Expiration Date of the Offer to 12:00 Midnight, New York City time, on Friday, December 23, 1994.

According to the Joint Offer to Purchase, on December 13, 1994, representatives of BNI informed representatives of the Company that BNI might be willing, subject to approval of BNI's Board of Directors, to combine an increase in the exchange ratio for the merger with a tender offer by both BNI and the Company for Shares and possible repurchases by the Company of Shares in the open market after the tender offer and prior to consummation of the merger, in each case contingent on stockholder approval of the merger. Representatives of BNI and representatives of the Company then discussed the possible terms such a transaction might include.

According to the Joint Offer to Purchase, on or about December 14, 1994, the Company postponed its Special Meeting of Shareholders to vote on the Original SFP/BNI Agreement to January 27, 1995, and changed the record date for that meeting to December 27, 1994. Also on December 14, representatives of BNI and representatives of the Company continued the discussions they had conducted the previous day.

On December 14, 1994, despite Parent's receipt of an informal, non-binding, staff opinion from the ICC authorizing the use of the Voting Trust, the Company's Board of Directors continued to recommend that stockholders not tender their Shares to Parent. According to Amendment No. 3 to the Schedule 14D-9, the Company disclosed that the Board based its recommendation on the fact that:

> the Union Pacific Offer is subject to a number of conditions that are of concern to the Company. These conditions provide Union Pacific with the broad discretionary ability to terminate its Offer upon the occurrence of certain events, many of which are not necessarily in the direct control of the Company. Such conditions include, but are not limited to, the occurrence of: a threat or commencement of any action or proceeding by any person challenging the transactions contemplated by the Offer or any subsequent merger; any material adverse change in prices generally of shares on the New York Stock Exchange; armed hostilities directly or indirectly involving the United States;

and any tender or exchange offer or any public proposal of a tender or exchange offer for any common stock of the Company by any other person.

In the Schedule 14D-9, the Company further based its recommendation on the fact that:

the merger agreement that Union Pacific is asking the Company to execute as a condition to consummating the Offer would require that the Company make a number of representations and warranties and that the accuracy of those representations and warranties be a condition to consummation of the merger. This requirement is problematic for the Company because it creates a risk that Union Pacific could consummate the Offer but fail to consummate the merger, leaving Santa Fe's present stockholders as minority stockholders.

On December 14, 1994, Drew Lewis, Chairman and Chief Executive Officer of Parent, sent the following letter to Mr. Krebs:

December 14, 1994

Mr. Robert D. Krebs
Chairman, President and CEO
Santa Fe Pacific Corporation
1700 East Golf Road
Schaumburg, IL 60173

Dear Rob:

I am writing to advise you, as requested by your advisors, of our position concerning our merger proposal.

Our response at this stage is a function of Santa Fe's having pursued a flawed sale process. Your advisors have repeatedly demanded that we improve our proposal while refusing to establish any procedures for considering competing proposals on a fair and equal basis. In fact, your advisors have frequently told us you will not negotiate with Union Pacific unless we agree to pay at least $20 per Santa Fe share. This position is clearly inconsistent with your negotiating and recommending several transactions with Burlington Northern at prices well below $20.

We believe our current proposal is an extremely attractive one and in the best interests of Santa Fe and its shareholders and customers. Despite this, you have continued to pursue a process that favors any result other than a transaction with Union Pacific. We are prepared to continue discussions with you, but we urge you to establish a fair and open sale process.

Sincerely,

/s/ Drew

On December 15, 1994, Parent's legal advisor sent the following letter to the Company's legal advisor:

December 15, 1994

Scott J. Davis, Esq.
Mayer, Brown & Platt
190 South LaSalle Street
Chicago, Illinois 60606

Dear Scott:

On behalf of Union Pacific, I am writing to raise a number of concerns with the process that Santa Fe has established for considering competing proposals to acquire Santa Fe. These issues were described yesterday in detail by CS First Boston to Goldman Sachs and also were referred to in a letter from Drew Lewis to Robert Krebs.

As CS First Boston advised Goldman Sachs yesterday, Santa Fe has not necessarily received Union Pacific's best proposal. Union Pacific has been and is willing to consider and discuss revisions to its proposal. However, Union Pacific's response at this stage is a function of Santa Fe's having pursued what we believe is a flawed sale process. Santa Fe has failed to treat bidders on a fair and equal basis and appears to be pursuing a process that favors any outcome other than a transaction with Union Pacific.

Specifically, among other things, Santa Fe's financial advisors have repeatedly stated that Santa Fe will not negotiate a transaction with Union Pacific unless Union Pacific confirms that it is prepared to provide value of at least $20 per Santa Fe share. This position is inconsistent with Santa Fe's negotiating and recommending several transactions with Burlington Northern, all of which have been at prices well below $20. We are concerned that your insistence on such a high price as a condition to a transaction with Union Pacific serves to discourage any transaction with Union Pacific while you pursue a variety of alternative transactions with Burlington Northern at a lower value level. If you also have told Burlington Northern and any other interested parties that you will not negotiate a transaction unless it provides value of at least $20 per share, you should disclose to us and the public that you have established a $20 bidding floor for all potential purchasers.

We are further concerned that Santa Fe has limited itself to "clarifying" Union Pacific's proposal, while apparently engaging in extensive substantive negotiations with Burlington Northern. Santa Fe's process appears designed to use Union Pacific as a stalking horse, and use what we discuss with you in your negotiations with Burlington Northern.

There have been reports about Santa Fe's consideration of alternative structures for a transaction. We are prepared to consider alternative structures and request that you promptly advise us of any alternatives which your client may prefer.

Please advise Santa Fe that Union Pacific is eager to participate in a fair process, and is willing to consider and negotiate revisions to its proposal. Union Pacific asks only that it be treated on an equal basis with Burlington Northern.

You will be receiving today by separate cover a revised form of merger agreement. Union Pacific's draft merger agreement contains fewer conditions, and provides greater certainty, than your agreement with Burlington Northern. Notwithstanding this, Union Pacific is prepared to discuss any and all remaining concerns you may have.

We note that our agreement does not contain any "lock-up" provision, despite Union Pacific's having unilaterally offered Santa Fe a right to terminate any agreement with Union Pacific in order to accept a superior proposal -- a right which does not exist in your current agreement with Burlington Northern. We expect that your concerns about providing Union Pacific with any lock-up or expense reimbursement apply equally to Burlington Northern and that you will not provide Burlington Northern any stock or

asset rights, a "bust up" fee or other arrangement that would in any manner impede Union Pacific's efforts to pursue a transaction with Santa Fe.

I would appreciate your discussing these matters with your client and responding to us at your earliest convenience.

Sincerely,

/s/ Paul T. Schnell
Skadden, Arps, Slate, Meagher & Flom

cc: Carl W. von Bernuth, Esq.

Also on December 15, 1994, Mr. Krebs sent the following letter in response to Mr. Lewis' letter:

December 15, 1994

Mr. Drew Lewis, Chairman
Union Pacific Corporation
Martin Tower
Eighth and Eaton Avenues
Bethlehem, Pennsylvania 18018

Dear Drew:

This is in response to your letter dated December 14, 1994 concerning the process that Santa Fe is currently pursuing. Your letter assumes that Santa Fe is conducting an auction. In fact, however, the board of Santa Fe has never put the company up for sale. Instead, subject to shareholder approval, the board agreed to a strategic combination with the Burlington Northern, which is designed to achieve significant long-term growth for Santa Fe's shareholders far beyond the current value of the Burlington Northern stock that is to be exchanged in the merger. After that agreement was announced, Union Pacific made an unsolicited merger proposal to Santa Fe.

As you know, under our contract with Burlington Northern, Santa Fe could not provide confidential information to or negotiate with any other potential merger partner unless the board was advised by counsel that it had a fiduciary duty to do so. After Union Pacific improved its offer and obtained the ICC staff's approval of its proposed voting trust, we were advised by our counsel that we did have a fiduciary duty to provide information and to negotiate with Union Pacific. In the past two weeks, we have made available to Union Pacific all of the information that was given to Burlington Northern, and more. In fact, at a meeting in our office on December 4, 1994, your executive vice president-finance, L. White Matthews III, told a group of our senior officers that the amount of information Union Pacific had received from Santa Fe was more than they "dreamed" of obtaining. In addition, we have negotiated in good faith the terms of Union Pacific's proposed merger agreement and tender offer.

Throughout our discussions over the past two weeks we have continually emphasized the need for Union Pacific to improve its offer as soon as possible. We have also been negotiating with Burlington Northern with a view toward improving the existing merger agreement. In all of these discussions, our goal has been to achieve the best result for our shareholders, taking into account both short-term and long-term objectives.

I believe that we have done everything we can to enable Union Pacific to improve its offer, and, as our financial advisors have been telling your financial advisors for many days, we hope you will do so promptly. The process we have followed is designed to promote the best interests of our shareholders.

Sincerely,

/s/ Rob

According to the Joint Offer to Purchase, on December 15, 1994, the Company's Board met and heard a presentation from the Company's management and financial and legal advisors regarding BNI's proposal. The Company's Board authorized its representatives to negotiate with BNI representatives to attempt to reach a definitive agreement.

On December 15, 1994, Parent issued a press release confirming that it continued to hold discussions with the Company in response to the Company's request that Parent clarify its acquisition proposal. Parent also requested that the Company clarify its process for considering competing proposals.

Also on December 15, 1994, the Company announced that the Company's Board had postponed the distribution date of the Rights from December 16, 1994 to January 31, 1995.

On December 16, 1994, Parent announced that it would consider revising its proposal if the Company established a fair process. Also on December 16, 1994, Mr. Lewis sent the following letter to Mr. Krebs:

December 16, 1994

Mr. Robert D. Krebs
Chairman, President and CEO
Santa Fe Pacific Corporation
1700 East Golf Road
Schaumburg, IL 60173

Dear Rob:

I have read your December 15 letter, and can only conclude that you have not been kept fully apprised of the actions of your management and advisors.

Your characterization of Santa Fe's process for considering bids, or lack of such a process, is inaccurate and distorted. Most importantly, you have not, as you assert, done everything you can to enable Union Pacific to revise its proposal. On the contrary, Santa Fe has pursued a process that favors any outcome other than a transaction with Union Pacific.

We are extremely disappointed with the flawed and biased sale process being pursued by Santa Fe. Our financial advisor, CS First Boston, expressed our concerns to your financial advisor, Goldman Sachs, on December 14. On December 15, before you sent me your letter, our counsel expressed these concerns in a letter to your counsel, a copy of which is enclosed.

And now, in light of your letter, I will tell you directly of our concerns.

Here are the facts:

1. Your advisors have said you will not even consider a proposal from us at less than $20 per share, although you negotiated and recommended several transactions with Burlington Northern at prices well below $20 per share. Your insistence on such a high minimum price as a condition to a transaction with

Union Pacific discourages any transaction with Union Pacific while you pursue a variety of alternative transactions with Burlington Northern at a lower value level.

2. Santa Fe has refused to establish any procedures that would permit us to compete on an equal basis with Burlington Northern. While you obviously have continued to engage in serious, substantive negotiations with Burlington Northern, you have simply sought "clarifications" from us while repeatedly asking us to "improve" what for many weeks has been the most attractive proposal on the table. You are using Union Pacific as a stalking horse for an improved Burlington Northern bid. Based on your agreement with Burlington Northern, we must assume that Santa Fe is using information obtained in its discussions with Union Pacific to assist Burlington Northern in its efforts to improve its bid.

3. Santa Fe has discussed alternative acquisition structures with Burlington Northern, but, despite our stated willingness to consider alternative structures and revisions to our current proposal, you have not given us any indication of what alternative structures would be acceptable to Santa Fe.

4. Santa Fe, in its recent Schedule 14D-9 filing, stated that our proposal "is subject to a number of conditions that are of concern to [Santa Fe]." But, the fact is, Union Pacific's proposal contains fewer conditions, and provides greater certainty for your shareholders, than the transaction you willingly agreed to with Burlington Northern.

5. Santa Fe's Board of Directors unilaterally adopted a "poison pill" rights plan that specifically exempts Burlington Northern but is applicable to our proposal.

6. Santa Fe has stood silently by while Burlington Northern, your preferred suitor, has tried unsuccessfully to block ICC approval of our voting trust. This is the voting trust that you specifically asked us to establish more than two months ago and that provides speed and certainty for your shareholders.

7. Santa Fe apparently never asked its financial advisor to express its opinion as to the fairness of our proposal, but, as you know, Santa Fe previously requested and received a fairness opinion on the Burlington Northern merger which, at the time, based on the then current market price, valued Santa Fe shares at approximately $13.50.

This listing is by no means exhaustive but is illustrative of the flawed and biased sale process undertaken by Santa Fe. In light of this, the assertion that Santa Fe's goal has been to achieve the best results for its shareholders rings hollow.

Let me be very clear. By your actions you have put Santa Fe up for sale and Union Pacific is a very interested buyer. We want to acquire Santa Fe by competing on an equal basis with Burlington Northern and any other potential bidders. If Santa Fe establishes a fair and open process, we would be eager to participate, and would be willing to consider and discuss revisions to our proposal.

Santa Fe has stated that it is considering alternative structures. If you and your Board truly desire a fair process, it is incumbent upon you to inform us promptly of each alternative under consideration, to state the minimum bidding level (if any) applicable to all interested parties, and to give us the opportunity to consider and respond to each alternative. In addition, you should instruct your management and advisors to establish immediately a fair and unbiased sale process. If you would like our specific suggestions concerning establishing a fair process, our advisors would be pleased to provide them.

Santa Fe has not necessarily received Union Pacific's best proposal. I await your response.

Sincerely,

/s/ Drew

Later on December 16, 1994, Parent's legal advisor sent the following letter to the Company's legal advisor:

December 16, 1994

Scott J. Davis, Esq.
Mayer, Brown & Platt
190 South LaSalle Street
Chicago, Illinois 60606

Dear Scott:

We have not received any response to Drew Lewis' letter to Robert Krebs sent earlier today or to my letter to you dated December 15.

I am writing on behalf of Union Pacific Corporation to suggest that the legal and financial advisors of each party meet briefly to discuss whether we can structure a process for going forward that is acceptable to both our clients.

Based on Union Pacific's willingness to consider and discuss revisions to its proposal, it would be in both parties' interest to continue to progress with the discussions. We hope that a meeting of advisors would enable our clients to do that.

Please call me at any time this evening or over the weekend to discuss this matter.

Sincerely,

/s/ Paul T. Schnell
Skadden, Arps, Slate, Meagher & Flom

cc: Carl W. von Bernuth, Esq.

Also on December 16, 1994, Parent extended the Expiration Date of the Offer to 12:00 Midnight, New York City time, on Thursday, January 19, 1995.

According to the Joint Offer to Purchase, beginning on December 16, 1994, representatives of the Company and BNI met to discuss whether a definitive agreement could be reached. In addition, representatives of the Company had discussions with some of the Company's large stockholders to determine whether or under what circumstances they would make written commitments to support the revised merger.

On December 17, 1994, as requested by Parent, Parent's financial and legal advisors conducted a telephonic meeting with the Company's financial and legal advisors. During this meeting, among other things, Parent's advisors, on behalf of Parent, expressed to the Company's advisors the interest of Parent in making an improved proposal to acquire the Company provided that Parent be given an opportunity to bid for the Company on a fair and equal basis with BNI. Parent's advisors expressed the concern that the Company had failed to establish a fair and unbiased sale process. In particular, Parent's advisors objected to the fact that the Company would continually advise BNI of substantive communications occurring between the Company and Parent, including with respect to any revised acquisition proposal that Parent might make. The Company's advisors asserted, among other things, that the Company was not conducting an auction, time was of the essence and if Parent wanted to improve its bid, it should do so soon.

Also on December 17, 1994, according to the Joint Offer to Purchase, the negotiations between the Company's and BNI representatives continued with no agreement being reached.

On December 17, 1994, Mr. Krebs sent Mr. Lewis the following letter:

Mr. Drew Lewis, Chairman
Union Pacific Corporation
Martin Tower
8th and Eaton Avenues
Bethlehem, PA 18018

Dear Drew:

I am not sure that continuing to trade letters on "process" issues serves any useful function. However, let me briefly reiterate Santa Fe's position. Contrary to the statement in your December 16 letter, the Santa Fe board has NOT put the company up for sale, and it is not conducting an auction. We entered into a contract for a strategic combination with Burlington Northern -- a combination that promises significant long-term growth. We are now negotiating with Burlington Northern in order to improve that agreement.

At the same time, however, we have provided Union Pacific with all of the information about Santa Fe it needs in order to make its best alternative proposal. If you are willing and able to improve your proposal, I suggest that you do so without delay.

Sincerely,

/s/ Rob

According to the Joint Offer to Purchase, on December 18, 1994, the Company and BNI representatives reached an agreement on the terms of the revised BNI/SFP Agreement.

According to the Joint Offer to Purchase, on December 18, 1994, the Company's Board approved the revised BNI/SFP Agreement. Shortly after the Company's Board meeting, BNI and the Company entered into the revised BNI/SFP Agreement.

On December 18, 1994, Mr. Lewis sent the following letter to Mr. Krebs:

December 18, 1994

Mr. Robert D. Krebs
Chairman, President and CEO
Santa Fe Pacific Corporation
1700 East Golf Road
Schaumburg, IL 60173

Dear Rob:

I understand that you sent a letter to my office Saturday.

We continue to be troubled by Santa Fe's refusal to address in any way our concerns about your process for considering acquisition proposals.

As we have repeatedly stated, and said to your advisors yesterday, we want to be in a position to make an improved proposal. We see no reason why you cannot address our concerns, and hope you will give consideration to the specific suggestions made by our advisors.

Sincerely,

/s/ Drew Lewis

On December 18, 1994, the Company announced that BNI and the Company would make a joint tender offer to acquire 63,000,000 Shares, or approximately 33% of all such Shares outstanding, at $20.00 per Share in a recapitalization and merger transaction.

On December 20, 1994, Parent announced that it was reviewing its options concerning its proposal to acquire the Company. Also on December 20, 1994, Mr. Lewis sent the following letter to Mr. Krebs:

December 20, 1994

Mr. Robert D. Krebs
Chairman, President and CEO
Santa Fe Pacific Corporation
1700 East Golf Road
Schaumberg, IL 60173

Dear Rob:

The recent actions of Santa Fe are but a continuation of Santa Fe's ongoing efforts to pursue its sale to Burlington Northern, and to prevent a transaction with Union Pacific, at all costs.

We object to Santa Fe's grant of "lock-ups" to Burlington Northern to deter competing bids, and to Santa Fe's repeated refusal to address our objections to its flawed sales process.

With regard to Santa Fe's efforts to deter competing bids, we note with interest that a Burlington Northern representative, who would speak only on the condition of anonymity, was quoted today in the press as stating: "This is a carefully crafted plan designed to accomplish the merger and to make it prohibitively expensive for UP to top."

As we have announced, we will be reviewing our options concerning our acquisition proposal.

Sincerely,

/s/ Drew

Also on December 20, 1994, the ICC issued an order of the full commission approving the Voting Trust.

On December 23, 1994, the Company and BNI commenced the Joint Offer for up to 63,000,000 Shares (together with the associated Rights) at $20.00 per Share, net to the tendering stockholder in cash, with the Company severally obligated to purchase up to 38,000,000 Shares and BNI severally obligated to purchase up to 25,000,000 Shares pursuant to the Joint Offer upon the terms and subject to the conditions set forth in the Joint Offer to Purchase.

According to the Joint Offer to Purchase, of the Shares tendered and accepted for payment in the Joint Offer, the Company is severally obligated to purchase 60.3% of such Shares and BNI is severally obligated to purchase 39.7% of such Shares, subject to the terms and conditions of the Joint Offer. According to the Joint Offer to Purchase and the BNI/SFP Agreement, the Company plans to merge into BNI whereby the separate existence of the Company will cease with BNI continuing as the surviving corporation, and each outstanding Share will be converted into a right to receive 0.40 of a share of BNI Common Stock. As of January 17, 1995, the last full trading day prior to Parent's announcement that it was amending the Offer upon the terms set forth in this Supplement, 0.40 of a share of BNI Common Stock had a value of $21.05, based on the closing sales price of BNI Common Stock as reported on the NYSE.

The Original BNI/SFP Agreement was amended to provide that, among other things, the Company is obligated in certain circumstances, to pay certain fees to BNI upon termination of the BNI/SFP Agreement. According to the Joint Offer to Purchase, the BNI/SFP Agreement specifically provides that:

SFP has agreed that if the [BNI/SFP] Agreement shall be terminated due to (a) the acquisition of any Person, entity or "group" other than BNI of more than 50% or more of the outstanding [Shares], (b) the

approvals of the stockholders of SFP and BNI having not been obtained, (c) the Board of Directors of SFP, prior to the meeting of stockholders of SFP, having withdrawn, modified or changed in a manner adverse to BNI, its approval or recommendation of the [BNI/SFP] Agreement or the [m]erger, (d) the board of directors of SFP having withdrawn or modified in a manner adverse to BNI its approval or recommendation of the [Joint] Offer, the [BNI/SFP] Agreement or the [m]erger in order to permit SFP to execute a definitive agreement in connection with a Takeover Proposal (as defined in the BNI/SFP Agreement) or in order to approve another tender offer for [Shares] or the board of directors of SFP shall have recommended any other Takeover Proposal, or (e) if the Offer is terminated and SFP and BNI shall not have purchased [Shares] pursuant to the [Joint] Offer, then it will pay BNI an amount equal to $50,000,000 plus all out-of-pocket expenses, not to exceed $10,000,000 incurred by BNI in connection with the [BNI/SFP] Agreement, the [Joint] Offer and all related transactions . . . provided, that no such payment will be required if the [BNI/SFP] Agreement is terminated pursuant to clause (b), (c) or (e) above unless, after December 18, 1994, a new Takeover Proposal involving SFP has been announced or made (it being understood that any modification of [the Purchaser's Offer] in existence on December 18, 1994 shall be deemed a new Takeover Proposal). SFP has also agreed that if the [BNI/SFP] Agreement shall be terminated pursuant to clause (b),(c) or (e) above and no payment is required by it in the manner contemplated above, it will reimburse BNI for all out-of-pocket expenses incurred by BNI in connection with the [BNI/SFP] Agreement, the [m]erger, the [Joint] Offer and all related transactions.

According to the terms of the BNI/SFP Agreement, the amended Offer is an event which, in certain circumstances, would obligate the Company to pay a termination fee to BNI in the amount of $50,000,000 plus an additional amount for expenses incurred by BNI up to a maximum of $10,000,000.

Also on December 23, 1994, according to Amendment No. 6 to the Schedule 14D-9, the Company's Board of Directors continued to recommend that stockholders not tender their Shares to Parent.

On January 15, 1995, the Parent's Board of Directors met to consider the various alternatives available to Parent in connection with its proposal to acquire the Company.

On January 17, 1995, the Board of Directors of Parent held a meeting and authorized the amended Offer.

Also on January 17, 1995, Mr. Lewis sent the following letter to Mr. Krebs:

January 17, 1995

Mr. Robert D. Krebs
Chairman, President and CEO
Santa Fe Pacific Corporation
1700 East Golf Road
Schaumburg, IL 60173

Dear Rob:

I am writing to inform you that Union Pacific has revised its acquisition proposal to increase the price to $18.50 per share in cash and to seek to acquire 100% of Santa Fe's outstanding shares in the tender offer.

By using our Interstate Commerce Commission approved voting trust, your shareholders would receive immediate payment of the entire purchase price in our transaction, without bearing any risk relating to ICC approval of our combination with Santa Fe. By contrast, the new, leveraged Burlington Northern transaction would require a delay of up to several years for payment of two-thirds of the purchase price to Santa Fe shareholders, and would require your shareholders to bear the risk of ICC approval.

In addition to the all-cash advantage of our offer, we believe our transaction is superior to the Burlington Northern acquisition when one discounts BN's purchase price for the time delay in payment,

the ICC risk of non-consummation of the BN transaction and the uncertain value of BN stock to be received.

Our preference remains to negotiate a merger agreement with Santa Fe. As your own advisors stated, we were very close to completing negotiation of a merger agreement before you announced your new transaction with Burlington Northern. We should be able to conclude our negotiations very quickly in light of our revised offer. We continue to believe it is a violation of your Board's fiduciary duties for Santa Fe to resist negotiating a transaction with Union Pacific.

If you refuse to negotiate with us, we would be prepared to purchase shares in our tender offer without a merger agreement, provided that your shareholders tender at least 90% of Santa Fe's outstanding shares and other impediments such as the rights plan are eliminated. In order to complete the acquisition on a unilateral basis, we would first ask the ICC to approve an amendment to our voting trust agreement that would enable the trustee to cause Santa Fe, following the acquisition of Santa Fe shares, to agree to cooperate with us in obtaining ICC approval of a Santa Fe/Union Pacific combination. We would seek ICC approval of the amended voting trust agreement once Santa Fe shareholders vote to disapprove the Burlington Northern merger.

Our offer, including the conditions to our transaction, remains unchanged in all other material respects. Given your rejection of our alternative $20 all-stock proposal made several months ago, we confirm our withdrawal of such alternative proposal.

Sincerely,

/s/ Drew

cc: Board of Directors
Santa Fe Pacific Corporation

On January 17, 1995, Parent announced the amended terms of the Offer described in the above letter.

On January 18, 1995, the Purchaser commenced the amended Offer.

10. PURPOSE OF THE OFFER AND THE PROPOSED MERGER. The discussion set forth in Section 11 of the Offer to Purchase is hereby amended and supplemented by the following:

General. The purpose of the Offer is to acquire all of the outstanding Shares of the Company. The purpose of the Proposed Merger is to acquire all Shares not beneficially owned by the Purchaser following consummation of the Offer.

The Purchaser will seek to affect the Proposed Merger with the Company as promptly as practicable following consummation of the Offer. Under the Proposed Merger Agreement and in the case of a Short-Form Merger effected with or without an agreement, at the effective time of the Proposed Merger, each Share that is outstanding prior to the effective time (other than Shares held in the treasury of the Company or owned by Parent, the Purchaser or any direct or indirect wholly-owned subsidiary of Parent and Dissenting Shares) would be converted into the right to receive $18.50 in cash.

As discussed in Section 9 of this Supplement, Parent and the Purchaser have discussed with the Company a Proposed Merger Agreement. Parent and the Purchaser believe that substantial progress was made in these discussions. However, a form of merger agreement has not been agreed to by the parties. Parent and the Purchaser believe that a cash tender offer for all of the outstanding Shares would address the Company's concern described in Amendment No. 3 to Schedule 14D-9 that "Union Pacific could consummate the Offer but fail to consummate the merger leaving Santa Fe's present stockholders as minority stockholders." Although Parent desires to continue such discussions, there can be no assurance that such discussions will occur or, if such discussions occur, as to the outcome thereof. In the event Parent is unable to negotiate the Proposed Merger Agreement with the Company, the Purchaser will terminate the Offer unless the Company decides to waive the Merger Agreement Condition as discussed above. See Introduction; The

Merger Agreement Condition of this Supplement. The Purchaser is currently reviewing its options with respect to the Offer and may consider, among other things, changes to the material terms of the Offer. The Purchaser reserves the right to amend the Offer (including amending the Offer Price) if it enters into the Proposed Merger Agreement or to negotiate a merger agreement with the Company not involving a tender offer pursuant to which the Purchaser would terminate the Offer and the Shares would, upon consummation of such merger, be converted into the right to receive cash, Parent Common Stock and/or other securities in such amounts as are negotiated by Parent and the Company.

Other. Under the DGCL, if the Purchaser acquires less than 90% of the outstanding Shares, the Proposed Merger would require, among other things, the affirmative vote of the holders of at least a majority of all the outstanding Shares entitled to vote at a meeting of stockholders. See Introduction; The Merger Agreement Condition of this Supplement. If the Purchaser acquires Shares pursuant to the Offer, the Purchaser may be in a position to exercise voting control of more than a majority of the Shares and will have the voting power to approve the Proposed Merger without the vote of any other stockholder. If the Purchaser acquires 90% or more of the outstanding Shares pursuant to the Offer, Parent would have the power to consummate a merger of the Purchaser with and into the Company without a meeting or vote of stockholders pursuant to the DGCL.

Holders of Shares will not have appraisal rights as a result of the Offer. If the Proposed Merger is consummated, however, persons who hold Shares at that time would have the right to appraisal of their Shares in accordance with Section 282 of the DGCL. Such appraisal rights, if the statutory procedures are complied with, would result in a judicial determination of the "fair value" of the Shares owned by such holders. Any such judicial determination of the fair value of the Shares could be based upon considerations other than or in addition to the price paid in the Offer and the Proposed Merger and the market value of the Shares, including asset values, the investment value of the Shares and any other valuation considerations generally accepted in the investment community. The value so determined for Shares could be more or less than the value of the consideration per Share to be paid pursuant to the Offer or the Proposed Merger and payment of such consideration would take place subsequent to payment pursuant to the Offer.

In addition, several decisions by the Delaware courts have held that a controlling stockholder of a corporation involved in a merger has a fiduciary duty to the other stockholders which requires that the merger be fair to such other stockholders. In determining whether a merger is fair to minority stockholders, the Delaware courts have considered, among other things, the type and amount of consideration to be received by the stockholders and whether there was fair dealing among the parties. The Delaware Supreme Court indicated in Weinberger v. UOP, Inc. and Rabkin v. Philip A. Hunt Chemical Corp. that ordinarily the remedy available to stockholders in a merger that is found not to be "fair" to minority stockholders is the right to appraisal described above or a damages remedy based on essentially the same principles.

If the Purchaser purchases Shares pursuant to the Offer, and the Proposed Merger or another merger or other business combination is consummated more than one year after the completion of the Offer, or if such a merger or other business combination were to provide for the payment of consideration less than that paid pursuant to the Offer, compliance by the Purchaser with Rule 13e-3 under the Exchange Act would be required, unless the Shares were to be deregistered under the Exchange Act prior to such transaction. See Section 13 of the Offer to Purchase. Rule 13e-3 would require, among other things, that certain financial information concerning the Company and certain information relating to the fairness of the proposed transaction and the consideration offered to minority stockholders therein be filed with the Commission and disclosed to minority stockholders prior to consummation of the transaction.

THIS SUPPLEMENT DOES NOT CONSTITUTE A SOLICITATION OF PROXIES FOR ANY MEETING OF THE COMPANY'S STOCKHOLDERS. PARENT IS CURRENTLY SOLICITING PROXIES IN OPPOSITION TO THE BNI/SFP AGREEMENT. SUCH SOLICITATION BY PARENT IS BEING MADE ONLY PURSUANT TO SEPARATE PROXY MATERIALS COMPLYING WITH THE REQUIREMENTS OF SECTION 14(A) OF THE EXCHANGE ACT. IN ADDITION, THIS SUPPLEMENT IS NEITHER AN OFFER TO SELL NOR A SOLICITATION OF OFFERS TO BUY ANY SECURITIES WHICH MAY BE ISSUED IN ANY MERGER OR SIMILAR BUSINESS COMBINATION INVOLVING THE PURCHASER, PARENT OR THE COMPANY.

11. AMENDED CONDITIONS OF THE OFFER. The conditions to the Offer as set forth in Section 14 of the Offer to Purchase are hereby amended and restated as follows:

Notwithstanding any other provisions of the Offer, and in addition to (and not in limitation of) the Purchaser's rights to extend and amend the Offer at any time in its sole discretion, the Purchaser shall not be required to accept for payment or, subject to any applicable rules and regulations of the Commission, including Rule 14e-1(c) under the Exchange Act (relating to the Purchaser's obligation to pay for or return tendered Shares promptly after termination or withdrawal of the Offer), pay for, and may delay the acceptance for payment of or, subject to the restriction referred to above, the payment for, any tendered Shares, and may terminate the Offer, if, in the sole judgment of the Purchaser (i) at or prior to the Expiration Date any one or more of the Minimum Condition, the Merger Agreement Condition, the Stockholder Vote Condition, the Rights Condition or the Voting Trust Condition has not been satisfied, (ii) the Purchaser is not satisfied that Section 203 of the DGCL has been complied with or is invalid or otherwise inapplicable to the Offer and the Proposed Merger, (iii) the Purchaser is not satisfied that the BNI/SFP Agreement has been terminated in accordance with its terms or (iv) at any time on or after January 17, 1995 and before the time of payment for any such Shares (whether or not any Shares have theretofore been accepted for payment pursuant to the Offer) any of the following events shall occur or shall be determined by the Purchaser to have occurred:

(a) there shall be threatened, instituted or pending any action or proceeding by any government or governmental authority or agency, domestic or foreign, or by any other person, domestic or foreign, before any court or governmental authority or agency, domestic or foreign, (i)(A) challenging or seeking to make illegal, to delay or otherwise directly or indirectly to restrain or prohibit the making of the Offer, the acceptance for payment of or payment for some of or all the Shares by the Purchaser or Parent or any other affiliates of Parent or the consummation by the Purchaser or Parent or any other affiliates of Parent of the Proposed Merger or other business combination with the Company, (B) seeking to obtain damages or (C) otherwise directly or indirectly relating to the transactions contemplated by the Offer or any such merger or business combination, (ii) seeking to prohibit the ownership or operation by Parent, the Purchaser or any other affiliates of Parent of all or any portion of the business or assets of the Company and its subsidiaries or of the Purchaser, or to compel Parent, the Purchaser or any other affiliates of Parent to dispose of or hold separately all or any portion of the business or assets of the Purchaser or the Company or any of its subsidiaries or seeking to impose any limitation on the ability of Parent, the Purchaser or any other affiliates of Parent to conduct their business or own such assets, (iii) seeking to impose or confirm limitations on the ability of Parent, the Purchaser or any other affiliates of Parent effectively to exercise full rights of ownership of the Shares, including, without limitation, the right to vote any Shares acquired by any such person on all matters properly presented to the Company's stockholders, (iv) seeking to require divestiture by Parent, the Purchaser or any other affiliates of Parent of any Shares, (v) which otherwise, in the sole judgment of the Purchaser, might materially adversely affect Parent, the Purchaser or any other affiliates of Parent or the value of the Shares, or (vi) in the sole judgment of the Purchaser, materially adversely affecting the business, properties, assets, liabilities, capitalization, stockholders' equity, condition (financial or other), operations, licenses or franchises, results of operations or prospects of the Company or any of its subsidiaries, joint ventures or partnerships; provided that the condition specified in this paragraph (a) shall not be deemed to exist by reason of any court proceeding pending on the date hereof and known to the Purchaser, unless in the sole judgment of the Purchaser there is any adverse development in any such proceeding after the date hereof, or before the date hereof if not known to the Purchaser on the date hereof, which might, directly or indirectly, result in any of the consequences referred to in clauses (i) through (vi) above;

(b) there shall be any action taken, or any statute, rule, regulation, interpretation, judgment, order or injunction proposed, enacted, enforced, promulgated, amended, issued or deemed applicable (i) to the Purchaser, Parent or any affiliate of Parent or (ii) to the Offer or the Proposed Merger or other business combination by the Purchaser or Parent or any affiliate of Parent with the Company, by any court, government or governmental, administrative or regulatory authority or agency, domestic or foreign,

which, in the sole judgment of the Purchaser, might, directly or indirectly, result in any of the consequences referred to in clauses (i) through (vi) of paragraph (a) above;

(c) any change (or any condition, event or development involving a prospective change) shall have occurred or been threatened in the business, properties, assets, liabilities, capitalization, stockholders' equity, condition (financial or other), operations, licenses, franchises, permits, permit applications, results of operations or prospects of the Company or any of its subsidiaries which, in the sole judgment of the Purchaser, is or may be materially adverse, or the Purchaser shall have become aware of any fact which, in the sole judgment of the Purchaser, has or may have material adverse significance with respect to either the value of the Company or any of its subsidiaries or the value of the Shares to the Purchaser;

(d) there shall have occurred (i) any general suspension of trading in, or limitation on prices for, securities on any national securities exchange or in the over-the-counter market, any decline in either the Dow Jones Industrial Average or the Standard & Poor's Index of 500 Industrial Companies by an amount in excess of 15% measured from the close of business on January 17, 1995 or any material adverse change in prices generally of shares on the NYSE, (ii) a declaration of a banking moratorium or any suspension of payments in respect of banks by federal or state authorities in the United States, (iii) any limitation (whether or not mandatory) by any governmental authority or agency on, or other event which, in the sole judgment of the Purchaser, might affect the extension of credit by banks or other lending institutions, (iv) a commencement of a war, armed hostilities or other national or international calamity directly or indirectly involving the United States, (v) a material change in United States or any other currency exchange rates or a suspension of, or limitation on, the markets therefor, or (vi) in the case of any of the foregoing existing at the time of the commencement of the Offer, a material acceleration or worsening thereof;

(e) the Company or any of its subsidiaries, joint ventures or partnerships or other affiliates shall have (i) split, combined or otherwise changed, or authorized or proposed the split, combination or other change of the Shares or its capitalization, (ii) acquired or otherwise caused a reduction in the number of, or authorized or proposed the acquisition or other reduction in the number of, any presently outstanding Shares or other securities or other equity interests, (iii) issued, distributed or sold, or authorized or proposed the issuance, distribution or sale of, additional Shares, other than Shares issued or sold upon the exercise or conversion (in accordance with the present terms thereof) of employee stock options outstanding on the date of this Offer to Purchase, shares of any other class of capital stock or other equity interests, other voting securities, debt securities or any securities convertible into, or rights, warrants or options, conditional or otherwise, to acquire, any of the foregoing, (iv) declared, paid or proposed to declare or pay any cash dividend or other distribution on any shares of capital stock of the Company (other than quarterly dividends not exceeding amounts previously declared by the Company), (v) altered or proposed to alter any material term of any outstanding security or material contract, permit or license, (vi) incurred any debt otherwise than in the ordinary course of business or any debt containing, in the sole judgment of the Purchaser, burdensome covenants or security provisions, (vii) authorized, recommended, proposed or entered into an agreement with respect to any merger, consolidation, recapitalization, liquidation, dissolution, business combination, acquisition of assets, disposition of assets, release or relinquishment of any material contractual or other right of the Company or any of its subsidiaries or any comparable event not in the ordinary course of business, (viii) authorized, recommended, proposed or entered into, or announced its intention to authorize, recommend, propose or enter into, any agreement or arrangement with any person or group that in the Purchaser's sole opinion could adversely affect either the value of the Company or any of its subsidiaries, joint ventures or partnerships or the value of the Shares to the Purchaser, (ix) entered into any employment, change in control, severance, executive compensation or similar agreement, arrangement or plan with or for one or more of its employees, consultants or directors, or entered into or amended, or made grants or awards pursuant to, any agreements, arrangements or plans so as to provide for increased benefits to one or more employees, consultants or directors, or taken any action to fund, secure or accelerate the funding of compensation or benefits provided for one or more employees, consultants or directors, whether or not as a result of or in connection with the transactions contemplated by the Offer, (x) except as may be required by law, taken

any action to terminate or amend any employee benefit plan (as defined in Section 3(c) of the Employee Retirement Income Security Act of 1974, as amended) of the Company or any of its subsidiaries, or the Purchaser shall have become aware of any such action which was not previously disclosed in publicly available filings, or (xi) amended or authorized or proposed any amendment to its Certificate of Incorporation or Bylaws or similar organizational documents, or the Purchaser shall become aware that the Company or any of its subsidiaries shall have proposed or adopted any such amendment which shall not have been previously disclosed;

(f) a tender or exchange offer for any Shares shall have been made or publicly proposed to be made by any other person (including the Company or any of its subsidiaries or affiliates) other than the Joint Offer, or it shall be publicly disclosed or the Purchaser shall have otherwise learned that (i) any person, entity (including the Company or any of its subsidiaries) or "group" (within the meaning of Section 13(d)(3) of the Exchange Act) shall have acquired (including acquisitions by the Company or BNI pursuant to the Joint Offer, the BNI/SFP Agreement or otherwise) or proposed to acquire (other than pursuant to the Joint Offer and the BNI/SFP Agreement) beneficial ownership of more than 5% of any class or series of capital stock of the Company (including the Shares), through the acquisition of stock, the formation of a group or otherwise, or shall have been granted (including any grant to BNI) any right, option or warrant, conditional or otherwise, to acquire beneficial ownership of more than 5% of any class or series of capital stock of the Company (including the Shares) other than acquisitions for bona fide arbitrage purposes only and except as disclosed in a Schedule 13D or 13G on file with the Commission on the date of this Supplement, (ii) any such person, entity or group which before the date of this Supplement had filed such a Schedule with the Commission has acquired or proposes to acquire, through the acquisition of stock, the formation of a group or otherwise, beneficial ownership of 1% or more of any class or series of capital stock of the Company (including the Shares), or shall have been granted any right, option or warrant, conditional or otherwise, to acquire beneficial ownership of 1% or more of any class or series of capital stock of the Company (including the Shares), (iii) any person or group shall enter into a definitive agreement or an agreement in principle or made a proposal with respect to a tender offer or exchange offer or a merger, consolidation or other business combination with or involving the Company (other than the Joint Offer and the BNI/SFP Agreement as in effect on the date of this Supplement), or with respect to any amendment of or modification to an existing such transaction or agreement (including the Joint Offer or the BNI/SFP Agreement as in effect on the date of this Supplement) or (iv) on or after the date of this Supplement, any person shall have filed a Notification and Report Form under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "HSR" Act), or made a public announcement reflecting an intent to acquire the Company or any assets or securities of the Company;

(g) the Purchaser shall have reached an agreement or understanding with the Company providing for termination of the Offer, or the Purchaser or any of its affiliates shall have entered into a definitive agreement or announced an agreement in principle with the Company providing for a merger or other business combination with the Company or the purchase of stock or assets of the Company which does not contemplate the Offer;

(h) (i) any material contractual right of the Company or any of its subsidiaries or affiliates shall be impaired or otherwise adversely affected or any material amount of indebtedness of the Company or any of its subsidiaries, joint ventures or partnerships shall become accelerated or otherwise become due before its stated due date, in either case with or without notice or the lapse of time or both, as a result of the transactions contemplated by the Offer or the Proposed Merger or (ii) any covenant, term or condition in any of the Company's or any of its subsidiaries', joint ventures' or partnerships' instruments or agreements is or may be materially adverse to the value of the Shares in the hands of the Purchaser (including, but not limited to, any event of default that may ensue as a result of the consummation of the Offer or the Proposed Merger or the acquisition of control of the Company); or

(i) Parent or the Purchaser shall not have obtained any waiver, consent, extension, approval, action or non-action from any governmental authority or agency (other than approval by the ICC of the acquisition of control of the Company) which is necessary to consummate the Offer;

which, in the sole judgment of the Purchaser in any such case, and regardless of the circumstances (including any action or inaction by the Purchaser or any of its affiliates) giving rise to any such condition, makes it inadvisable to proceed with the Offer and/or with such acceptance for payment or payment.

The foregoing conditions are for the sole benefit of the Purchaser and may be asserted by the Purchaser in its sole discretion regardless of the circumstances (including any action or omission by the Purchaser) giving rise to any such conditions or may be waived by the Purchaser in its sole discretion in whole or in part at any time and from time to time. The failure by the Purchaser at any time to exercise any of the foregoing rights shall not be deemed a waiver of any such right and each such right shall be deemed an ongoing right which may be asserted at any time and from time to time. Any determination by the Purchaser concerning any condition or event described in this Section 11 shall be final and binding upon all parties.

12. CERTAIN LEGAL MATTERS; REGULATORY APPROVALS. The discussion set forth in Section 15 of the Offer to Purchase is hereby amended and supplemented as follows:

ICC Matters; The Voting Trust. On November 10, 1994, the Purchaser filed with the ICC a draft form of voting trust agreement (the "Draft Voting Trust Agreement") in connection with the Purchaser's application requesting an informal, non-binding opinion that the use of the Voting Trust is consistent with the policies of the ICC against unauthorized acquisitions of control of a regulated carrier.

On November 28, 1994, Parent received an informal, non-binding opinion from the staff of the ICC authorizing the use of the Voting Trust in its proposed acquisition of the Company.

Also on November 28, 1994, the ICC, acting through Chairman McDonald (the "Chairman"), denied petitions of BNI's railroad subsidiary, Burlington Northern Railroad Company ("BN") and the Kansas City Southern Railway Company ("KCS") and a letter request of the State of Colorado Department of Transportation, all seeking to have the ICC formally investigate, and solicit public comment on, Parent's proposed Voting Trust, and a petition of a number of railroad unions (the "Rail Unions") seeking various declaratory orders with regard to the Voting Trust. BN, KCS and the Rail Unions subsequently appealed this decision to the full ICC, and Parent filed an opposition to these administrative appeals.

On December 6, 1994, the ICC issued a decision denying a request by BN and others that the ICC staff's informal opinion letter be withdrawn pending resolution of the administrative appeals, and indicating that a decision on those appeals would be forthcoming shortly.

On December 7, 1994, BN filed actions in the United States Court of Appeals for the Third Circuit (the "Third Circuit") seeking review of the December 6, 1994 decision and an injunction barring Parent and the Purchaser from placing the Shares in the Voting Trust until the ICC conducted a formal investigation.

On December 12, 1994, Parent filed an opposition to BN's injunction request in the Third Circuit. On December 12, 1994, the ICC filed a memorandum with the Third Circuit indicating that the ICC would shortly be deciding the administrative appeals, and urging the court to refrain from issuing any dispositive orders in the meantime. On December 14, BN filed a reply in support of its injunction request.

On December 12, 1994, the Rail Unions filed petitions in the Third Circuit seeking a writ of mandamus against the ICC directing the ICC to investigate the Voting Trust and bar Parent and the Purchaser from using the Voting Trust, and an injunction against Parent and the Purchaser prohibiting the use of the Voting Trust until the ICC has granted Parent authority to control the Company's railroad business. On December 16, 1994, Parent filed an opposition to these petitions. On December 16, 1994, the ICC filed a memorandum with the Third Circuit indicating that the ICC would shortly be deciding the administrative appeals, and that the Rail Unions' action should thus be dismissed as moot.

On December 20, 1994, the ICC issued a decision of the full commission denying the administrative appeals of BN, KCS and the Rail Unions from the Chairman's initial decision and approving the Voting Trust subject to a modification clarifying the authority of the ICC to approve any plan of divestiture or sale of the stock held in trust. On December 20, the ICC also filed a motion with the Third Circuit to dismiss BN's December 7, 1994 review petition and the Rail Unions' December 12, 1994 mandamus petition, and suggesting that requests for an injunction against Parent and the Purchaser also be dismissed.

Also on December 20, 1994, BN filed a petition in the Third Circuit for review of the ICC's December 20, 1994 decision. On December 21, 1994, BN filed a petition with the ICC requesting a stay of the Commission's December 20, 1994 decision pending judicial review and a temporary cease and desist order against Parent to prohibit implementation of the Voting Trust pending judicial review. On January 5, 1995, the Rail Unions filed a similar petition. On December 22, 1994, Parent filed an opposition to the BN petition, and on January 17, 1995, Parent filed an opposition to the Rail Unions' petition.

On December 28, 1994, BN filed in the Third Circuit an opposition to the ICC's December 20, 1994 motion, stating that BN agreed that BN's December 7, 1994 appeal is moot and could be dismissed, but denying that BN's injunction request should be dismissed. The Rail Unions filed a similar opposition on January 12, 1995.

On January 6, 1995, the ICC denied the petition filed by BN with the ICC on December 21, 1994.

On January 10, 1995, BN filed a motion in the Third Circuit seeking a stay pending judicial review of the ICC's December 20, 1994 decision. On January 11, 1995, the Rail Unions filed a response in support of the BN motion, and on January 13, 1995, the Rail Unions filed their own, similar stay request. On January 12, 1995, Parent filed an opposition to the BN motion, and on January 18, 1995, Parent filed an opposition to the Rail Unions' stay request.

On January 10, 1995, the Rail Unions filed a petition in the United States Court of Appeals for the Tenth Circuit for review of the ICC's December 20, 1994 decision, and a motion for transfer of this review proceeding to the Third Circuit.

On January 13, 1995, the Third Circuit issued an order denying the requests of BN and the Rail Unions for an injunction against Parent, and dismissing as moot BN's December 7, 1994 review petition and the Rail Unions' December 12, 1994 mandamus petition.

Certain Litigation. Set forth below is a description of certain litigation that has occurred since the date of the Offer to Purchase and prior to the date of this Supplement with respect to the Offer.

On January 18, 1995, Parent and Mr. Shattuck moved the Court of Chancery in the State of Delaware for leave to file their Second Amended Complaint. In the proposed Second Amended Complaint, the plaintiffs have withdrawn as moot their claims against the Original BNI/SFP Agreement and have alleged, among other things, that the Company and members of the Company's Board have breached their fiduciary duties by (i) entering into the BNI/SFP Agreement without upholding their obligation to act reasonably to seek the transaction offering the best value reasonably available to the stockholders in a sale of the Company; (ii) failing to implement fair and equal procedures for the acceptance and consideration of competing bids for the purchase of the Company; (iii) improperly agreeing to the termination fee and expense reimbursement provisions of the BNI/SFP Agreement; and (iv) improperly adopting a discriminatory stockholder rights plan in response to the Offer.

The Second Amended Complaint seeks an order of final judgment, inter alia (a) requiring the Company and the Company's Directors to adopt fair and equitable procedures for the acceptance and consideration of competing bids for the Company; (b) enjoining the operation of the Rights pursuant to the Rights Agreement and declaring the Rights inapplicable or unenforceable as applied to the Offer and the Proposed Merger; (c) declaring that the termination fee and expense reimbursement provisions of the BNI/SFP Agreement are invalid and unenforceable; and (d) declaring that Parent has not tortiously interfered with the contractual or other legal rights of BNI or the Company.

13. MISCELLANEOUS.

No person has been authorized to give any information or make any representation on behalf of Parent or the Purchaser not contained in this Supplement to the Offer to Purchase and, if given or made, such information or representation must not be relied upon as having been authorized.

Parent and the Purchaser have filed with the Commission a Tender Offer Statement on Schedule 14D-1 and amendments thereto, together with exhibits, pursuant to Rule 14d-3 of the General Rules and Regulations under the Exchange Act, furnishing certain additional information with respect to the Offer, and may file

additional amendments thereto. The Schedule 14D-1 and any amendments thereto, including exhibits, may be inspected at, and copies may be obtained from, the same places and in the same manner as set forth in Section 7 of the Offer to Purchase (except that they will not be available at the regional offices of the Commission).

EXCEPT AS OTHERWISE SET FORTH IN THIS SUPPLEMENT, THE TERMS AND CONDITIONS PREVIOUSLY SET FORTH IN THE OFFER TO PURCHASE REMAIN APPLICABLE IN ALL RESPECTS TO THE OFFER, AND THIS SUPPLEMENT SHOULD BE READ IN CONJUNCTION WITH THE OFFER TO PURCHASE. UNLESS THE CONTEXT REQUIRES OTHERWISE, TERMS NOT DEFINED HEREIN HAVE THE MEANINGS ASCRIBED TO THEM IN THE OFFER TO PURCHASE.

January 18, 1995

UP ACQUISITION CORPORATION

Facsimile copies of the revised Letter of Transmittal, properly completed and duly signed, will be accepted. The revised Letter of Transmittal, certificates for the Shares and any other required documents should be sent by each stockholder of the Company or his broker, dealer, commercial bank, trust company or other nominee to the Depositary as follows:

The Depositary for the Offer is:

CITIBANK, N.A.

By Mail:	By Facsimile Transmission:	By Hand:
Citibank, N.A. c/o Citicorp Data Distribution, Inc. P.O. Box 1429 Paramus, New Jersey 07653	(For Eligible Institutions only) (201) 262-3240	Citibank, N.A. Corporate Trust Window 111 Wall Street, 5th Floor New York, New York
By Overnight Courier:	Confirm By Telephone:	By Telex:
Citibank, N.A. c/o Citicorp Data Distribution, Inc. 404 Sette Drive Paramus, New Jersey 07652	(800) 422-2066	(710) 990-4964 Answer Back: CDDI PARA

Any questions or requests for assistance or additional copies of the Offer to Purchase, this Supplement, the revised Letter of Transmittal and the revised Notice of Guaranteed Delivery may be directed to the Information Agent or the Dealer Manager at their respective telephone numbers and locations listed below. You may also contact your broker, dealer, commercial bank or trust company or other nominee for assistance concerning the Offer.

The Information Agent for the Offer is:

Morrow & Co., Inc.

909 Third Avenue, 20th Floor New York, New York 10022 (212) 754-8000 (Call Collect)	39 South LaSalle Street Chicago, Illinois 60603 (312) 444-1150 (Call Collect)

or

Call Toll Free 1-800-662-5200

The Dealer Manager for the Offer is:

CS First Boston Corporation
Park Avenue Plaza
55 East 52nd Street
New York, New York 10055
(212) 909-2000 (Call Collect)

LETTER OF TRANSMITTAL

TO TENDER SHARES OF COMMON STOCK

(INCLUDING THE ASSOCIATED PREFERRED SHARE PURCHASE RIGHTS)

OF

SANTA FE PACIFIC CORPORATION
AT

$18.50 NET PER SHARE
PURSUANT TO THE OFFER TO PURCHASE DATED NOVEMBER 9, 1994

AND

THE SUPPLEMENT DATED JANUARY 18, 1995

BY

UP ACQUISITION CORPORATION
A WHOLLY-OWNED SUBSIDIARY

OF

UNION PACIFIC CORPORATION

THE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 12:00 MIDNIGHT,
NEW YORK CITY TIME, ON TUESDAY, FEBRUARY 7, 1995,
UNLESS THE OFFER IS EXTENDED

The Depositary for the Offer is:

CITIBANK, N.A.

By Mail:	By Facsimile Transmission:	Overnight Express Mail Courier:	By Hand:
Citibank, N.A. c/o Citicorp Data Distribution, Inc. P.O. Box 1429 Paramus, New Jersey 07653	(For Eligible Institutions Only) (201)262-3240	Citibank, N.A. c/o Citicorp Data Distribution, Inc. 404 Sette Drive Paramus, New Jersey 07652	Citibank, N.A. Corporate Trust Window 111 Wall Street, 5th Floor New York, New York

DELIVERY OF THIS INSTRUMENT TO AN ADDRESS OTHER THAN AS SET FORTH ABOVE OR TRANSMISSION OF INSTRUCTIONS VIA FACSIMILE TRANSMISSION OTHER THAN AS SET FORTH ABOVE WILL NOT CONSTITUTE A VALID DELIVERY.

THE INSTRUCTIONS ACCOMPANYING THIS LETTER OF TRANSMITTAL SHOULD BE READ CAREFULLY BEFORE THIS LETTER OF TRANSMITTAL IS COMPLETED.

THIS REVISED LETTER OF TRANSMITTAL OR THE PREVIOUSLY CIRCULATED GOLD LETTER OF TRANSMITTAL IS TO BE USED EITHER IF CERTIFICATES EVIDENCING SHARES AND/OR RIGHTS (EACH AS DEFINED BELOW) ARE TO BE FORWARDED HEREWITH OR, UNLESS AN AGENT'S MESSAGE (AS DEFINED IN THE OFFER TO PURCHASE) IS UTILIZED, IF DELIVERY OF SHARES AND/OR RIGHTS IS TO BE MADE BY BOOK-ENTRY TRANSFER TO THE ACCOUNT MAINTAINED BY THE DEPOSITARY AT THE DEPOSITORY TRUST COMPANY, THE MIDWEST SECURITIES TRUST COMPANY OR THE PHILADELPHIA DEPOSITORY TRUST COMPANY (EACH, A "BOOK-ENTRY TRANSFER FACILITY" AND, COLLECTIVELY, THE "BOOK-ENTRY TRANSFER FACILITIES") PURSUANT TO THE PROCEDURES SET FORTH IN SECTION 3 OF THE OFFER TO PURCHASE DATED NOVEMBER 9, 1994 (THE "OFFER TO PURCHASE") AND SECTION 2 OF THE SUPPLEMENT DATED JANUARY 18, 1995 (THE "SUPPLEMENT").

STOCKHOLDERS WHO HAVE PREVIOUSLY VALIDLY TENDERED SHARES PURSUANT TO THE OFFER USING THE GOLD LETTER OF TRANSMITTAL OR THE BLUE NOTICE OF GUARANTEED DELIVERY AND WHO HAVE NOT PROPERLY WITHDRAWN SUCH SHARES HAVE VALIDLY TENDERED SUCH SHARES FOR THE PURPOSES OF THE OFFER, AS AMENDED, AND NEED NOT TAKE ANY FURTHER ACTION.

IF THE PURCHASER DECLARES THAT THE RIGHTS CONDITION (AS DEFINED IN THE SUPPLEMENT) IS SATISFIED, THE PURCHASER WILL NOT REQUIRE DELIVERY OF THE RIGHTS. UNLESS AND UNTIL THE PURCHASER DECLARES THAT THE RIGHTS CONDITION IS SATISFIED, HOLDERS OF SHARES WILL BE REQUIRED TO TENDER ONE RIGHT FOR EACH SHARE TENDERED TO EFFECT A VALID TENDER OF SUCH SHARE. If Right Certificates (as defined in the Supplement) have been distributed to holders of Shares prior to the date of tender pursuant to the Offer, Right Certificates representing a number of Rights equal to the number of Shares being tendered must be delivered to the Depositary in order for such Shares to be validly tendered. If Right Certificates have not been distributed prior to the time Shares are tendered pursuant to the Offer, a tender of Shares without Rights constitutes an agreement by the tendering stockholder to deliver Right Certificates representing a number of Rights equal to the number of Shares tendered pursuant to the Offer to the Depositary within five New York Stock Exchange, Inc. ("NYSE") trading days after the date Right Certificates are distributed. The Purchaser reserves the right to require that it receive such Right Certificates prior to accepting Shares for payment. Payment for Shares tendered and purchased pursuant to the Offer will be made only after timely receipt by the Depositary of, among other things, Right Certificates, if such certificates have been distributed to holders of Shares. The Purchaser will not pay any additional consideration for the Rights tendered pursuant to the Offer.

Holders whose certificates for Shares and, if applicable, Rights, are not immediately available (including, if the Distribution Date has occurred, but Right Certificates have not yet been distributed by the Company), or who cannot deliver confirmation of the book-entry transfer of their Shares into the Depositary's account at a Book-Entry Transfer Facility ("Book-Entry Confirmation") and all other documents required hereby to the Depositary on or prior to the Expiration Date (as defined in Section 1 of the Supplement), must tender their Shares and Rights according to the guaranteed delivery procedures set forth in Section 3 of the Offer to Purchase and Section 2 of the Supplement. See Instruction 2 of this Letter of Transmittal. Delivery of documents to a Book-Entry Transfer Facility does not constitute delivery to the Depositary.

/ / CHECK HERE IF TENDERED SHARES ARE BEING DELIVERED BY BOOK-ENTRY TRANSFER MADE TO THE ACCOUNT MAINTAINED BY THE DEPOSITARY WITH A BOOK-ENTRY TRANSFER FACILITY AND COMPLETE THE FOLLOWING:

Name of Tendering Institution:

Check Box of Book-Entry Transfer Facility:

/ / The Depository Trust Company

/ / Midwest Securities Trust Company

/ / Philadelphia Depository Trust Company

Account Number
- --

Transaction Code Number
- --

/ / CHECK HERE IF TENDERED RIGHTS ARE BEING DELIVERED BY BOOK-ENTRY TRANSFER MADE TO THE ACCOUNT MAINTAINED BY THE DEPOSITARY WITH A BOOK-ENTRY TRANSFER FACILITY AND COMPLETE THE FOLLOWING:

Name of Tendering Institution:

Check Box of Book-Entry Transfer Facility:

/ / The Depository Trust Company

/ / Midwest Securities Trust Company

/ / Philadelphia Depository Trust Company

Account Number
- --

Transaction Code Number

/ / CHECK HERE IF TENDERED SHARES ARE BEING DELIVERED PURSUANT TO A NOTICE OF GUARANTEED DELIVERY PREVIOUSLY SENT TO THE DEPOSITARY AND COMPLETE THE FOLLOWING:

Name(s) of Registered Owner(s): ---

Date of Execution of Notice of Guaranteed Delivery: ------------------------

Name of Institution that Guaranteed Delivery: ------------------------------

If Delivered by Book-Entry Transfer, Check Box of Book-Entry Transfer Facility:

/ / The Depository Trust Company
/ / Midwest Securities Trust Company
/ / Philadelphia Depository Trust Company

Account Number --

Transaction Code Number ---

/ / CHECK HERE IF TENDERED RIGHTS ARE BEING DELIVERED PURSUANT TO A NOTICE OF GUARANTEED DELIVERY PREVIOUSLY SENT TO THE DEPOSITARY AND COMPLETE THE FOLLOWING:

Name(s) of Registered Owner(s): ---

Date of Execution of Notice of Guaranteed Delivery: ------------------------

Name of Institution that Guaranteed Delivery: ------------------------------

If Delivered by Book-Entry Transfer, Check Box of Book-Entry Transfer Facility:

/ / The Depository Trust Company
/ / Midwest Securities Trust Company
/ / Philadelphia Depository Trust Company

Account Number --

Transaction Code Number ---

DESCRIPTION OF SHARES TENDERED

NAME(S) AND ADDRESS(ES) OF REGISTERED HOLDER(S) (PLEASE FILL IN, IF BLANK)	SHARE CERTIFICATE(S) TENDERED (ATTACH ADDITIONAL LIST IF NECESSARY)		
	CERTIFICATE NUMBER(S)*	TOTAL NUMBER OF SHARES REPRESENTED BY CERTIFICATE(S)	NUMBER OF SHARES TENDERED**
	TOTAL SHARES		

* Need not be completed by stockholders tendering by book-entry transfer.

** Unless otherwise indicated, it will be assumed that all Shares being delivered to the Depositary are being tendered. See Instruction 4.

DESCRIPTION OF RIGHTS TENDERED

NAME(S) AND ADDRESS(ES) OF REGISTERED HOLDER(S) (PLEASE FILL IN, IF BLANK)	RIGHT CERTIFICATE(S) TENDERED* (ATTACH ADDITIONAL LIST IF NECESSARY)		
	RIGHT CERTIFICATE NUMBER(S)**	TOTAL NUMBER OF RIGHTS REPRESENTED BY RIGHT CERTIFICATE(S)	NUMBER OF RIGHTS TENDERED***
	TOTAL RIGHTS		

* If the tendered Rights are represented by separate Right Certificates, complete the certificate numbers of such Right Certificates. Stockholders tendering Rights which are not represented by separate certificates will need to submit an additional letter of transmittal if Right Certificates are received.

** Need not be completed by stockholders tendering by book-entry transfer.

*** Unless otherwise indicated, it will be assumed that all Rights being delivered to the Depositary are being tendered. See Instruction 4.

The names and addresses of the registered holders should be printed, if not already printed above, exactly as they appear on the certificates representing Shares and/or Rights tendered hereby. The certificates and number of Shares and/or Rights that the undersigned wishes to tender should be indicated in the appropriate boxes.

NOTE: SIGNATURES MUST BE PROVIDED BELOW.
PLEASE READ CAREFULLY THE ACCOMPANYING INSTRUCTIONS.

Ladies and Gentlemen:

The undersigned hereby tenders to UP Acquisition Corporation (the "Purchaser"), a Utah corporation, and a wholly-owned subsidiary of Union Pacific Corporation, a Utah corporation, the above described shares of common stock, par value $1.00 per share (the "Shares"), of Santa Fe Pacific Corporation, a Delaware corporation (the "Company"), including (unless and until the Purchaser declares that the Rights Condition (as defined in the Supplement) is satisfied) the associated preferred share purchase rights (the "Rights") issued pursuant to the Rights Agreement, dated as of November 28, 1994, between the Company and First Chicago Trust Company of New York, as Rights Agent (the "Rights Agreement"), pursuant to the Purchaser's offer to purchase all of the outstanding Shares of the Company at a price of $18.50 per Share, net to the seller in cash, without interest thereon upon the terms and subject to the conditions set forth in the Offer to Purchase dated November 9, 1994 (the "Offer to Purchase"), the Supplement dated January 18, 1995 (the "Supplement"), receipt of which is hereby acknowledged, and this Letter of Transmittal (which, as amended from time to time, together constitute the "Offer"). Unless the context requires otherwise, all references to Shares herein shall include the Rights, and all references to the Rights shall include all benefits that may inure to the holders of the Rights pursuant to the Rights Agreement. The Purchaser reserves the right to transfer or assign in whole or from time to time in part, to one or more of its affiliates the right to purchase Shares and/or Rights tendered pursuant to the Offer.

Subject to, and effective upon, acceptance for payment of the Shares and/or Rights tendered herewith in accordance with the terms and subject to the conditions of the Offer, the undersigned hereby sells, assigns, and transfers to, or upon the order of, the Purchaser all right, title and interest in and to all the Shares and/or Rights that are being tendered hereby (and any and all other Shares, rights or other securities issued or issuable in respect thereof on or after November 9, 1994) and irrevocably constitutes and appoints the Depositary the true and lawful agent and attorney-in-fact of the undersigned with respect to such Shares and/or Rights (and any such other Shares or securities) with full power of substitution (such power of attorney being deemed to be an irrevocable power coupled with an interest), to (a) deliver certificates for such Shares and/or Rights (and any such other Shares or securities), or transfer ownership of such Shares and/or Rights (and any such other Shares or securities) on the account books maintained by a Book-Entry Transfer Facility, together in either such case with all accompanying evidences of transfer and authenticity, to or upon the order of the Purchaser upon receipt by the Depositary, as the undersigned's agent, of the purchase price (adjusted, if appropriate, as provided in the Offer to Purchase), (b) present such Shares and/or Rights (and any such other Shares or securities) for transfer on the books of the Company and (c) receive all benefits and otherwise exercise all rights of beneficial ownership of such Shares and/or Rights (and any other such Shares or securities), all in accordance with the terms of the Offer.

The undersigned understands that unless the Rights are redeemed prior to the expiration of the Offer, stockholders will be required to tender one Right for each Share tendered in order to effect a valid tender of such Share. The undersigned understands that if Right Certificates have been distributed to holders of Shares prior to the date of tender pursuant to the Offer, Right Certificates representing a number of Rights equal to the number of Shares being tendered herewith must be delivered to the Depositary or, if available, a Book-Entry Confirmation (as defined in Instruction 2) must be received by the Depositary with respect thereto. If Right Certificates have not been distributed prior to the time Shares are tendered herewith, the undersigned agrees hereby to deliver Right Certificates representing a number of Rights equal to the number of Shares tendered herewith to the Depositary within five NYSE trading days after the date such Right Certificates are distributed. The Purchaser reserves the right to require that the Depositary receive such Right Certificates, or a Book-Entry Confirmation, with respect to such Rights, prior to accepting Shares for payment. Payment for Shares tendered and accepted for payment pursuant to the Offer will be made only after timely receipt by the Depositary of, among other things, Right Certificates if such Certificates have been distributed to holders of Shares. The Purchaser will not pay any additional consideration for the Rights tendered pursuant to the Offer.

If, on or after November 9, 1994, the Company should declare or pay any cash or stock dividend (other than regular cash dividends on the Shares, not in excess of $.10 per Share, annually) or other distribution on, or issue any rights (other than the separation of the Rights from the Shares) with respect to, the Shares (other than the Redemption Price (as defined in the Supplement)), payable or distributable to stockholders of record on a date before the transfer to the name of the Purchaser or its nominee or transferee on the Company's stock transfer records of the Shares accepted for payment pursuant to the Offer, then, subject to the provisions of Section 11 of the Supplement, (i) the purchase price per Share payable by the Purchaser pursuant to the Offer will be reduced by the amount of any such cash dividend or cash distribution and (ii) the whole of any such non-cash dividend, distribution or right will be received and held by the tendering stockholder for the account of the Purchaser and shall be required to be promptly remitted and transferred by each tendering stockholder to the Depositary for the account of the Purchaser, accompanied by appropriate documentation of transfer. Pending such remittance, the Purchaser will be

entitled to all rights and privileges as owner of any such non-cash dividend, distribution or right and may withhold the entire purchase price or deduct from the purchase price the amount of value thereof, as determined by the Purchaser in its sole discretion.

The undersigned hereby irrevocably appoints, L. White Matthews, III, Richard K. Davidson and Judy L. Swantak and each of them, the attorneys-in-fact and proxies of the undersigned, each with full power of substitution to the full extent of such stockholder's rights with respect to tendered Shares and Rights (and any and all other Shares or securities

or rights issued or issuable in respect thereof on or after November 9, 1994), to vote (subject to the terms of the Voting Trust Agreement (as defined in the Offer) so long as it shall be in effect with respect to the Shares) in such manner as each such attorney and proxy or his substitute shall in his sole discretion deem proper, and otherwise act (including without limitation pursuant to written consent) with respect to all the Shares and Rights tendered hereby which have been accepted for payment by the Purchaser prior to the time of such vote or action, which the undersigned is entitled to vote at any meeting of stockholders (whether annual or special and whether or not an adjourned meeting) of the Company, or otherwise. This proxy is coupled with an interest in the Company and in the Shares and Rights and is irrevocable and is granted in consideration of, and is effective when, if and to the extent that the Purchaser accepts such Shares and Rights for payment pursuant to the Offer. Such acceptance for payment shall revoke, without further action, all prior proxies granted by the undersigned at any time with respect to such Shares and Rights (and any such other Shares or other securities) and no subsequent proxies will be given (and if given will be deemed not to be effective) with respect thereto by the undersigned. The undersigned acknowledges that in order for Shares and Rights to be deemed validly tendered, immediately upon the acceptance for payment of such Shares and Rights, the Purchaser or the Purchaser's designee must be able to exercise full voting and all other rights which inure to a record and beneficial holder with respect to such Shares and Rights.

The undersigned hereby represents and warrants that the undersigned has full power and authority to tender, sell, assign and transfer the Shares and Rights tendered hereby (and any and all other Shares or other securities issued or issuable in respect thereof on or after November 9, 1994), and that, when the same are accepted for payment by the Purchaser, the Purchaser will acquire good, marketable and unencumbered title thereto, free and clear of all liens, restrictions, charges and encumbrances and the same will not be subject to any adverse claim. The undersigned, upon request, will execute and deliver any additional documents deemed by the Depositary or the Purchaser to be necessary or desirable to complete or confirm the sale, assignment and transfer of the Shares and Rights tendered hereby (and any and all such other Shares or other securities).

All authority herein conferred or agreed to be conferred in this Letter of Transmittal shall not be affected by, and shall survive, the death or incapacity of the undersigned, and any obligation of the undersigned hereunder shall be binding upon the successors, assigns, heirs, executors, administrators, trustees in bankruptcy, personal and legal representatives of the undersigned. Except as stated in the Offer to Purchase or in the Supplement, this tender is irrevocable provided that Shares and Rights tendered pursuant to the Offer may be withdrawn at any time prior to their acceptance for payment.

The undersigned understands that tenders of Shares and Rights pursuant to any one of the procedures described in Section 3 of the Offer to Purchase, Section 2 of the Supplement and the instructions hereto will constitute a binding agreement between the undersigned and the Purchaser upon the terms and subject to the conditions of the Offer. The undersigned recognizes that under certain circumstances set forth in the Offer to Purchase and in the Supplement, Purchaser may not be required to accept for payment any of the Shares and Rights tendered hereby.

Unless otherwise indicated herein under "Special Payment Instructions," please issue the check for the purchase price and/or return any certificates for Shares or Rights not tendered or accepted for payment in the name(s) of the undersigned. Similarly, unless otherwise indicated under "Special Delivery Instructions," please mail the check for the purchase price and/or return any certificates for Shares or Rights not tendered or accepted for payment (and accompanying documents, as appropriate) to the undersigned at the address shown below the undersigned's signature. In the event that both the Special Delivery Instructions and the Special Payment Instructions are completed, please issue the check for the purchase price and/or return any certificates for Shares or Rights not tendered or accepted for payment in

the name of, and deliver such check and/or return such certificates to, the person or persons so indicated. Stockholders delivering Shares or Rights by book-entry transfer may request that any Shares or Rights not accepted for payment be returned by crediting such account maintained at a Book-Entry Transfer Facility as such stockholder may designate by making an appropriate entry under "Special Payment Instructions." The undersigned recognizes that the Purchaser has no obligation pursuant to the Special Payment Instructions to transfer any Shares or Rights from the name of the registered holder thereof if the Purchaser does not accept for payment any of the Shares or Rights so tendered.

SPECIAL PAYMENT INSTRUCTIONS
(SEE INSTRUCTIONS 1, 5, 6, AND 7)

To be completed ONLY if certificates for Shares and/or Rights not tendered or not purchased and/or the check for the purchase price of Shares and/or Rights purchased are to be issued in the name of someone other than the undersigned, or if Shares and/or Rights delivered by book-entry transfer which are not purchased are to be returned by credit to an account maintained at a Book-Entry Transfer Facility other than that designated above.

Issue check and/or certificates to:

Name

(PLEASE PRINT)

Address

- ---
(ZIP CODE)

- ---
(TAXPAYER IDENTIFICATION OR SOCIAL SECURITY NUMBER)
(ALSO COMPLETE SUBSTITUTE FORM W-9 BELOW)

/ / Credit unpurchased Shares and/or Rights delivered by book-entry transfer to the Book-Entry Transfer Facility account set forth below.

Check appropriate box:

/ / The Depository Trust Company
/ / Midwest Securities Trust Company
/ / Philadelphia Depository Trust Company

- ---
(ACCOUNT NUMBER)

SPECIAL DELIVERY INSTRUCTIONS
(SEE INSTRUCTIONS 1, 5, 6 AND 7)

To be completed ONLY if certificates for Shares and/or Rights not tendered or not purchased and/or the check for the purchase price of Shares and/or Rights purchased are to be sent to someone other than the undersigned, or to the undersigned at an address other than that shown above.

Mail check and/or certificates to:

Name

(PLEASE PRINT)

Address

- ---
(ZIP CODE)

SIGN HERE

(COMPLETE SUBSTITUTE FORM W-9 ON REVERSE)

SIGNATURE(S) OF HOLDER(S)

Dated: , 1995

(Must be signed by registered holder(s) exactly as name(s) appear(s) on stock certificate(s) or on a security position listing or by person(s) authorized to become registered holder(s) by certificates and documents transmitted herewith. If signature is by trustees, executors, administrators, guardians, attorneys-in-fact, agents, officers of corporations or others acting in a fiduciary or representative capacity, please provide the following information. See Instruction 5.)

Name(s) ---

(PLEASE PRINT)

Capacity (full title) --

Address ---

(INCLUDE ZIP CODE)

Area Code and Telephone Number ---

Tax Identification or
Social Security No. ---

(COMPLETE SUBSTITUTE FORM W-9 ON REVERSE)

GUARANTEE OF SIGNATURE(S)
(SEE INSTRUCTIONS 1 AND 5)

Authorized Signature --

Name ---

(PLEASE PRINT)

Title --

Name of Firm ---

Address ---

(INCLUDE ZIP CODE)

Area Code and Telephone Number ---

Dated: , 1995

INSTRUCTIONS

FORMING PART OF THE TERMS AND CONDITIONS OF THE OFFER

1. Guarantee of Signatures. No signature guarantee on this Letter of Transmittal is required (i) if this Letter of Transmittal is signed by the registered holder of the Shares and/or Rights (which term, for purposes of this document, shall include any participant in a Book-Entry Transfer Facility whose name appears on a security position listing as the owner of Shares or Rights) of the Shares and/or Rights tendered herewith, unless such holder has completed either the box entitled "Special Delivery Instructions" or the box entitled "Special Payment Instructions" on the reverse hereof, or (ii) if such Shares and/or Rights are tendered for the account of a member firm of a registered national securities exchange, a member of the National Association of Securities Dealers, Inc. or a commercial bank or trust company having an office or correspondent in the United States (each of the foregoing being referred to as an "Eligible Institution"). In all other cases, all signatures on this Letter of Transmittal must be guaranteed by an Eligible Institution. See Instruction 5.

2. Delivery of Letter of Transmittal and Certificates. This Letter of Transmittal is to be completed by stockholders either if certificates are to be forwarded herewith or if tenders are to be made pursuant to the procedures for delivery by book-entry transfer set forth in Section 3 of the Offer to Purchase. Certificates for all physically tendered Shares and/or Rights, or any Book-Entry Confirmation of Shares and/or Rights, as the case may be, as well as a properly completed and duly executed Letter of Transmittal (or manually signed facsimile thereof), with any required signature guarantees, or an Agent's Message (as defined below), in the case of a book-entry delivery, and any other documents required by this Letter of Transmittal must be transmitted to and received by the Depositary at one of its addresses set forth herein prior to the Expiration Date and, unless and until the Purchaser declares that the Rights Condition is satisfied, Right Certificates, or Book-Entry Confirmation of a transfer of Rights into the Depositary's account at a Book-Entry Transfer Facility, if available (together with, if Rights are forwarded separately from Shares, a properly completed and duly executed Letter of Transmittal (or a facsimile thereof) with any required signature guarantee, or an Agent's Message in the case of a book-entry delivery, and any other documents required by the Letter of Transmittal), must be received by the depositary at one of its addresses set forth herein prior to the Expiration Date or, if later, within five NYSE trading days after the date on which such Right Certificates are distributed. If a holder's Share Certificates and, if applicable, Right Certificates, are not immediately available (including, if Right Certificates have not yet been distributed) or time will not permit all required documents to reach the Depositary prior to the Expiration Date, or the procedure for book-entry transfer cannot be completed on a timely basis, such holder's Shares and/or Rights may nevertheless be tendered by properly completing and duly executing the Notice of Guaranteed Delivery pursuant to the guaranteed delivery procedure set forth in Section 3 of the Offer to Purchase and Section 2 of the Supplement. Pursuant to such procedure, (i) such tender must be made by or through an Eligible Institution, (ii) a properly completed and duly executed Notice of Guaranteed Delivery, substantially in the form provided by the Purchaser, must be received by the Depositary prior to the Expiration Date, and (iii) in the case of a guarantee of Shares and/or Rights, the certificates for all tendered Shares and/or Rights, in proper form for transfer, or a Book-Entry Confirmation, together with a properly completed and duly executed Letter of Transmittal (or manually signed facsimile thereof) with any required signature guarantee (or, in the case of a book-entry transfer, an Agent's Message) and any other documents required by such Letter of Transmittal, must be received by the Depositary (a) in the case of Shares, within five NYSE trading days after the date of execution of such Notice of Guaranteed Delivery or (b) in the case of Rights, within a period ending on the later of (i) five NYSE trading days after the date of execution of such Notice of Guaranteed Delivery or (ii) five business days after Right Certificates are distributed to stockholders by the Company. If Share Certificates and Right Certificates are forwarded separately to the Depositary, a properly completed and duly executed Letter of Transmittal (or facsimile thereof) must accompany each such delivery. The term "Agent's Message" means a message, transmitted by a Book-Entry Transfer Facility to, and received by, the Depositary and forming a part of a Book-Entry Confirmation, which states that such Book-Entry Transfer Facility has received an express acknowledgement from the participant in such Book-Entry Transfer Facility tendering the Shares or Rights, that such participant has received and agrees to be bound by the terms of this Letter of Transmittal and that the Purchaser may enforce such agreement against the participant.

THE METHOD OF DELIVERY OF THIS LETTER OF TRANSMITTAL, SHARE CERTIFICATES, AND, IF APPLICABLE, RIGHT CERTIFICATES, AND ALL OTHER REQUIRED DOCUMENTS, INCLUDING DELIVERY THROUGH ANY BOOK-ENTRY TRANSFER FACILITY, IS AT THE OPTION AND RISK OF THE TENDERING STOCKHOLDER, AND THE DELIVERY WILL BE DEEMED MADE ONLY WHEN ACTUALLY RECEIVED BY THE DEPOSITARY. IF DELIVERY IS BY MAIL, REGISTERED MAIL WITH RETURN RECEIPT REQUESTED, PROPERLY INSURED, IS RECOMMENDED. IN ALL CASES, SUFFICIENT TIME SHOULD BE ALLOWED TO ENSURE TIMELY DELIVERY. EXCEPT AS OTHERWISE PROVIDED IN THIS INSTRUCTION 2, THE DELIVERY WILL BE DEEMED MADE ONLY WHEN ACTUALLY RECEIVED BY THE DEPOSITARY.

No alternative, conditional or contingent tenders will be accepted and no fractional Shares or Rights will be purchased. All tendering stockholders, by execution of this Letter of Transmittal (or a manually signed facsimile thereof), waive any right to receive any notice of the acceptance of their Shares or Rights for payment.

3. Inadequate Space. If the space provided herein is inadequate, the certificate numbers and/or the number of Shares and, if applicable, Rights should be listed on a separate signed schedule attached hereto.

4. Partial Tenders. (Not applicable to stockholders who tender by book-entry transfer.) If fewer than all the Shares or Rights evidenced by any certificate submitted are to be tendered, fill in the number of Shares or Rights which are to be tendered in the box entitled "Description of Shares Tendered" and "Description of Rights to be Tendered" respectively. In such case, new certificate(s) for the remainder of the Shares or Rights that were evidenced by your old certificate(s) will be sent to you, unless otherwise provided in the appropriate box on this Letter of Transmittal, as soon as practicable after the Expiration Date. All Shares and Rights represented by certificates delivered to the Depositary will be deemed to have been tendered unless otherwise indicated.

5. Signatures on Letter of Transmittal, Stock Powers and Endorsements. If this Letter of Transmittal is signed by the registered holder(s) of the Shares and Rights tendered hereby, the signature(s) must correspond exactly to the name(s) as written on the face of the certificate(s) without alteration, enlargement or any change whatsoever.

If any of the Shares or Rights tendered hereby are owned of record by two or more joint owners, all such owners must sign this Letter of Transmittal.

If any tendered Shares or Rights are registered in different names on several certificates, it will be necessary to complete, sign and submit as many separate Letters of Transmittal as there are different registrations of certificates.

If this Letter of Transmittal or any certificates or stock powers are signed by a trustee, executor, administrator, guardian, attorney-in-fact, officer of a corporation or other person acting in a fiduciary or representative capacity, such person should so indicate when signing, and proper evidence satisfactory to the Purchaser of such person's authority so to act must be submitted.

When this Letter of Transmittal is signed by the registered owner(s) of the Shares or Rights listed and transmitted hereby, no endorsement of certificates or separate stock powers are required unless payment or Share Certificates and/or Right Certificates not tendered or purchased are to be issued to a person other than the registered owner(s). Signatures on such certificates or stock powers must be guaranteed by an Eligible Institution.

If this Letter of Transmittal is signed by a person other than the registered owner(s) of the Shares or Rights listed, the certificates must be endorsed or accompanied by appropriate stock powers, in either case signed exactly as the name(s) of the registered holder(s) appear on the certificates. Signatures on such certificates or stock powers must be guaranteed by an Eligible Institution.

6. Stock Transfer Taxes. Except as set forth in this Instruction 6, the Purchaser will pay or cause to be paid any stock transfer taxes with respect to the transfer and sale of purchased Shares and Rights to it or its order pursuant to the Offer. If payment of the purchase price is to be made, or if certificates for Shares and/or Rights not tendered or purchased are to be registered in the name of, any person other than the registered holder, or if tendered certificates are registered in the name of any person other than the person(s) signing this Letter of Transmittal, the amount of any stock transfer taxes (whether imposed on the registered holder or such person) payable on account of the transfer to such person will be deducted from the purchase price unless satisfactory evidence of the payment of such taxes or exemption therefrom is submitted.

EXCEPT AS PROVIDED IN THIS INSTRUCTION 6, IT WILL NOT BE NECESSARY FOR TRANSFER TAX STAMPS TO BE AFFIXED TO THE CERTIFICATES LISTED IN THIS LETTER OF TRANSMITTAL.

7. Special Payment and Delivery Instructions. If a check and/or certificates for unpurchased Shares or Rights are to be issued in the name of a person other than the signer of this Letter of Transmittal or if a check is to be sent and/or such certificates are to be returned to someone other than the signer of this Letter of Transmittal or to an address other than that shown above, the appropriate boxes on this Letter of Transmittal should be completed. Stockholders tendering Shares or Rights by book-entry transfer may request that Shares and Rights not purchased be credited to such account maintained at a Book-Entry Transfer Facility as such stockholder may designate hereon. If no such instructions are given, such Shares and Rights not purchased will be returned by crediting the account at the Book-Entry Transfer Facility designated above.

8. Requests for Assistance or Additional Copies. Requests for assistance may be directed to the Dealer Manager or the Information Agent at the addresses set forth below. Additional copies of the Offer to Purchase, the Supplement, this Letter of Transmittal, the Notice of Guaranteed Delivery and the Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9 may be obtained from the Dealer Manager or the Information Agent at the address set forth below or from your broker, dealer, commercial bank or trust company.

9. Waiver of Conditions. The conditions of the Offer may be waived, in whole or in part, by the Purchaser, in its sole discretion, at any time and from time to time, in the case of any Shares or Rights tendered.

10. Substitute Form W-9. The tendering stockholder is required to provide the Depositary with a correct Taxpayer Identification Number ("TIN") on Substitute From W-9, which is provided under "Important Tax Information" below, and to certify whether the stockholder is subject to backup withholding of Federal income tax. If a tendering stockholder is subject to backup withholding, the stockholder must cross out item (2) of the Certification box of the Substitute Form W-9. Failure to provide the information on the Substitute Form W-9 may subject the tendering stockholder to 31% Federal income tax withholding with respect to any cash payments received pursuant to the Offer and Proposed Merger. If the tendering stockholder has not been issued a TIN and has applied for a number or intends to apply for a number in the near future, he or she should write "Applied For" in the space provided for the TIN in Part I, and sign and date the Substitute Form W-9. If "Applied For" is written in Part I and the Depositary is not provided with a TIN within 60 days, the Depositary will withhold 31% on all payments of the purchase price until a TIN is provided to the Depositary.

11. Lost, Destroyed or Stolen Certificates. If any certificate(s) representing Shares or Rights has been lost, destroyed or stolen, the stockholder should promptly notify the Depositary. The stockholder will then be instructed as to the steps that must be taken in order to replace the certificate(s). This Letter of Transmittal and related documents cannot be processed until the procedures for replacing lost or destroyed certificates have been followed.

IMPORTANT: THIS LETTER OF TRANSMITTAL (OR A FACSIMILE THEREOF), PROPERLY COMPLETED AND DULY EXECUTED, TOGETHER WITH CERTIFICATES OR CONFIRMATION OF BOOK-ENTRY TRANSFER AND ALL OTHER REQUIRED DOCUMENTS OR THE NOTICE OF GUARANTEED DELIVERY, MUST BE RECEIVED BY THE DEPOSITARY AT ONE OF ITS ADDRESSES SET FORTH HEREIN PRIOR TO THE EXPIRATION DATE.

IMPORTANT TAX INFORMATION

Under Federal income tax law, a stockholder whose tendered Shares are accepted for payment is required to provide the Depositary with such stockholder's correct TIN on Substitute Form W-9 below. If such stockholder is an individual, the TIN is his social security number. If a tendering stockholder is subject to backup withholding, he must cross out item (2) of the Certification box on the Substitute Form W-9. If the Depositary is not provided with the correct TIN, the stockholder may be subject to a $50 penalty imposed by the Internal Revenue Service. In addition, payments that are made to such stockholder with respect to Shares and Rights purchased pursuant to the Offer may be subject to backup withholding.

Certain stockholders (including, among others, all corporations and certain foreign individuals) are not subject to these backup withholding and reporting requirements. In order for a foreign individual to qualify as an exempt recipient, that stockholder must submit to the Depositary a properly completed Internal Revenue Service Form W-8, signed under penalties of perjury, attesting to that individual's exempt status. Such statements may be obtained from the Depositary. Exempt stockholders, other than foreign individuals, should furnish their TIN, write "Exempt" on the face of the Substitute Form W-9 below, and sign, date and return the Substitute Form W-9 to the Depositary. See the enclosed Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9 for additional instructions.

If backup withholding applies, the Depositary is required to withhold 31% of any payments made to the stockholder. Backup withholding is not an additional tax. Rather, the tax liability of persons subject to backup withholding will be reduced by the amount of tax withheld. If withholding results in an overpayment of taxes, a refund may be obtained from the Internal Revenue Service.

PURPOSE OF SUBSTITUTE FORM W-9

To prevent backup withholding on payments that are made to a stockholder with respect to Shares or Rights purchased pursuant to the Offer, the stockholder is required to notify the Depositary of his correct TIN by completing the form below certifying that the TIN provided on the Substitute Form W-9 is correct (or that such stockholder is awaiting a TIN).

WHAT NUMBER TO GIVE THE DEPOSITARY

The stockholder is required to give the Depositary the social security number or employer identification number of the record owner of the Shares and/or Rights. If the Shares and/or Rights are in more than one name or are not in the name of the actual owner, consult the enclosed Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9 for additional guidelines on which number to report. If the tendering stockholder has not been issued a TIN and has applied for a number or intends to apply for a number in the near future, he should write "Applied For" in the space provided for in the TIN in Part I, and sign and date the Substitute Form W-9. If "Applied For" is written in Part I and the Depositary is not provided with a TIN within 60 days, the Depositary will withhold 31% on all payments of the purchase price until a TIN is provided to the Depositary.

PAYER'S NAME: CITIBANK, N.A.

SUBSTITUTE FORM W-9 DEPARTMENT OF THE TREASURY INTERNAL REVENUE SERVICE	PART I -- PLEASE PROVIDE YOUR TIN IN THE BOX AT RIGHT AND CERTIFY BY SIGNING AND DATING BELOW.	------------------------ Social Security Number OR ------------------------------ Employer Identification Number (If awaiting TIN write "Applied For")
PAYER'S REQUEST FOR TAXPAYER IDENTIFICATION NUMBER (TIN)	PART II -- For Payees exempt from backup withholding, see the enclosed Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9 and complete as instructed therein. CERTIFICATION -- Under penalties of perjury, I certify that: (1) The number shown on this form is my correct Taxpayer Identification Number (or a Taxpayer Identification Number has not been issued to me) and either (a) I have mailed or delivered an application to receive a Taxpayer Identification Number to the appropriate Internal Revenue Service ("IRS") or Social Security Administration office or (b) I intend to mail or deliver an application in the near future. I understand that if I do not provide a Taxpayer Identification Number within sixty (60) days, 31% of all reportable payments made to me thereafter will be withheld until I provide a number, and (2) I am not subject to backup withholding either because (a) I am exempt from backup withholding, (b) I have not been notified by the IRS that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding. CERTIFICATE INSTRUCTIONS -- You must cross out item (2) above if you have been notified by the IRS that you are subject to backup withholding because of underreporting interest or dividends on your tax return. However, if after being notified by the IRS that you were subject to backup withholding you received another notification from the IRS that you are no longer subject to backup withholding, do not cross out item (2). (Also see instructions in the enclosed Guidelines.)	
SIGNATURE	DATE	,1995

NOTE: FAILURE TO COMPLETE AND RETURN THIS FORM MAY RESULT IN BACKUP WITHHOLDING OF 31% OF ANY PAYMENTS MADE TO YOU PURSUANT TO THE OFFER. PLEASE REVIEW THE ENCLOSED GUIDELINES FOR CERTIFICATION OF TAXPAYER IDENTIFICATION NUMBER ON SUBSTITUTE FORM W-9 FOR ADDITIONAL DETAILS.

Questions and requests for assistance or additional copies of the Offer to Purchase, Supplement, Letter of Transmittal and other tender offer materials may be directed to the Information Agent or the Dealer Manager as set forth below:

The Information Agent for the Offer is:

MORROW & CO., INC.

909 Third Avenue, 20th Floor
New York, New York 10022
(212) 754-8000 (Call Collect)
(800) 662-5200

The Dealer Manager for the Offer is:

CS FIRST BOSTON CORPORATION

Park Avenue Plaza
55 East 52nd Street
New York, New York 10055
(212) 909-2000 (Call Collect)

Exhibit (a)(28)

NOTICE OF GUARANTEED DELIVERY

FOR

TENDER OF SHARES OF COMMON STOCK
(INCLUDING THE ASSOCIATED PREFERRED SHARE PURCHASE RIGHTS)

OF

SANTA FE PACIFIC CORPORATION

TO

UP ACQUISITION CORPORATION,
A WHOLLY-OWNED SUBSIDIARY

OF

UNION PACIFIC CORPORATION

(NOT TO BE USED FOR SIGNATURE GUARANTEES)

This revised Notice of Guaranteed Delivery, or one substantially in the form hereof, must be used to accept the Offer (as defined below) if (i) certificates ("Share Certificates") representing shares of Common Stock, par value $1.00 per share (the "Shares"), of Santa Fe Pacific Corporation, a Delaware corporation (the "Company"), and/or, if applicable, certificates for the associated preferred share purchase rights (the "Rights") issued pursuant to the Rights Agreement, dated as of November 28, 1994, between the Company and First Chicago Trust Company of New York, as Rights Agent (the "Rights Agreement"), are not immediately available (including, if a Distribution Date (as defined in the Supplement dated January 18, 1995 (the "Supplement")) has occurred, because certificates for Rights have not been distributed by the Company), or (ii) time will not permit all required documents to reach Citibank, N.A., as Depositary (the "Depositary"), prior to the Expiration Date (as defined in the Supplement) or (iii) the procedure for delivery by book-entry transfer cannot be completed on a timely basis. This Notice of Guaranteed Delivery may be delivered by hand or mail or transmitted by telegram or facsimile transmission to the Depositary. See Section 3 of the Offer to Purchase dated November 9, 1994 (the "Offer to Purchase") and Section 2 of the Supplement.

The Depositary for the Offer is:

CITIBANK, N.A.

By Mail:	By Facsimile Transmission:	Overnight Express Mail Courier:	By Hand:
Citibank, N.A. c/o Citicorp Data Distribution, Inc. P.O. Box 1429 Paramus, New Jersey 07653	(For Eligible Institutions Only) (201)262-3240	Citibank, N.A. c/o Citicorp Data Distribution, Inc. 404 Sette Drive Paramus, New Jersey 07652	Citibank, N.A. Corporate Trust Window 111 Wall Street, 5th Floor New York, New York

DELIVERY OF THIS NOTICE OF GUARANTEED DELIVERY TO AN ADDRESS OTHER THAN AS SET FORTH ABOVE OR TRANSMISSION OF INSTRUCTIONS VIA FACSIMILE TRANSMISSION OTHER THAN AS SET FORTH ABOVE WILL NOT CONSTITUTE A VALID DELIVERY.

THIS FORM IS NOT TO BE USED TO GUARANTEE SIGNATURES. IF A SIGNATURE ON A LETTER OF TRANSMITTAL IS REQUIRED TO BE GUARANTEED BY AN "ELIGIBLE INSTITUTION" UNDER THE INSTRUCTIONS THERETO, SUCH SIGNATURE GUARANTEE MUST APPEAR IN THE APPLICABLE SPACE PROVIDED IN THE SIGNATURE BOX ON THE LETTER OF TRANSMITTAL.

LADIES AND GENTLEMEN:

The undersigned hereby tenders to UP Acquisition Corporation, a Utah corporation and a wholly-owned subsidiary of Union Pacific Corporation, a Utah corporation, upon the terms and subject to the conditions set forth in the Offer to Purchase, the Supplement and in the revised Letter of Transmittal (which, as amended from time to time, together constitute the "Offer"), receipt of which is hereby acknowledged, the number of Shares and Rights indicated below pursuant to the guaranteed delivery procedures set forth in Section 3 of the Offer to Purchase and Section 2 of the Supplement.

Number of Shares:

- ---
Number of Rights:

- ---
Certificate No(s). (if available)

Name(s) of Record Holder(s)

- ------------------------------------

Share Certificates:

PLEASE TYPE OR PRINT

- ------------------------------------
Right Certificates:

Address(es)

- ------------------------------------

Check ONE box if Shares or Rights will be tendered by book-entry transfer:

ZIP CODE

Area Code and Tel. No.

/ / The Depository Trust Company

Signature(s)

/ / Midwest Securities Trust Company

/ / Philadelphia Depository Trust Company

Account Number
- ---

Dated
- ------------------------------------ , 1995

GUARANTEE
(NOT TO BE USED FOR SIGNATURE GUARANTEE)

The undersigned, a firm that is a member of a registered national securities exchange or of the National Association of Securities Dealers, Inc. or which is a commercial bank or trust company having an office or correspondent in the United States, hereby guarantees delivery to the Depositary, at one of its addresses set forth above, of certificates representing the Shares and/or Rights tendered hereby in proper form for transfer, or confirmation of book-entry transfer of such Shares and/or Rights into the Depositary's accounts at The Depository Trust Company, the Midwest Securities Trust Company or the Philadelphia Depository Trust Company, in each case with delivery of a properly completed and duly executed Letter of Transmittal (or facsimile thereof), and any other required documents, within (a) in the case of Shares, five New York Stock Exchange, Inc. ("NYSE") trading days after the date of execution of this Notice of Guaranteed Delivery, or (b) in the case of Rights, a period ending on the later of (i) five NYSE trading days after the date of execution of this Notice of Guaranteed Delivery and (ii) five business days after the date on which the certificates for the Rights are distributed to holders of Shares by the Company.

The Eligible Institution that completes this form must communicate the guarantee to the Depositary and must deliver the Letter of Transmittal and the certificates for Shares and/or Rights to the Depositary within the time period shown herein. Failure to do so could result in a financial loss to such Eligible Institution.

- ---
NAME OF FIRM

- ---
ADDRESS

- ---
ZIP CODE

AUTHORIZED SIGNATURE

TITLE

Name
PLEASE TYPE OR PRINT

Area Code and Tel. No. Date , 1995

NOTE: DO NOT SEND CERTIFICATES FOR SHARES OR RIGHTS WITH THIS NOTICE. CERTIFICATES FOR SHARES OR RIGHTS SHOULD BE SENT WITH YOUR LETTER OF TRANSMITTAL.

Exhibit (a)(29)

[CS FIRST BOSTON LOGO]

CS First Boston Corporation
Park Avenue Plaza
New York, New York 10055
Tel: (212) 909-2000

OFFER TO PURCHASE FOR CASH
ALL OUTSTANDING SHARES OF COMMON STOCK
(Including the Associated Preferred Share Purchase Rights)

OF

SANTA FE PACIFIC CORPORATION

AT

$18.50 NET PER SHARE

BY

UP ACQUISITION CORPORATION,
A WHOLLY-OWNED SUBSIDIARY OF

UNION PACIFIC CORPORATION

THE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT
12:00 MIDNIGHT, NEW YORK CITY TIME, ON TUESDAY, FEBRUARY 7, 1995,
UNLESS THE OFFER IS EXTENDED.

January 18, 1995

To Brokers, Dealers, Commercial Banks,
Trust Companies And Other Nominees:

We have been engaged by UP Acquisition Corporation, a Utah corporation (the "Purchaser") and a wholly-owned subsidiary of Union Pacific Corporation, a Utah corporation ("Parent"), to act as Dealer Manager in connection with the Purchaser's offer to purchase all of the outstanding shares of Common Stock, par value $1.00 per share (the "Shares"), of Santa Fe Pacific Corporation, a Delaware corporation (the "Company"), including (unless and until the Purchaser declares that the Rights Condition (as defined in the Supplement dated January 18, 1995 (the "Supplement")) is satisfied) the associated preferred share purchase rights (the "Rights") issued pursuant to the Rights Agreement, dated as of November 28, 1994, between the Company and First Chicago Trust Company of New York, as Rights Agent (the "Rights Agreement"). The Purchaser is now tendering for all outstanding Shares and has increased the price to be paid in the Offer to $18.50 per Share, net to the seller in cash, without interest thereon (the "Offer Price"), upon the terms and subject to the conditions set forth in the Offer to Purchase dated November 9, 1994, the Supplement and in the revised Letter of Transmittal (which, as amended from time to time, together constitute the "Offer").

If the Purchaser declares that the Rights Condition (as defined in the Supplement) is satisfied, the Purchaser will not require delivery of the Rights. Unless and until the Purchaser declares that the Rights Condition is satisfied, holders of Shares will be required to tender one Right for each Share tendered in order to effect a valid tender of such Share. If Right Certificates (as defined in the Supplement) have been distributed to holders of Shares prior to the date of tender pursuant to the Offer, Right Certificates representing a number of Rights equal to the number of Shares being tendered must be delivered to the Depositary in order for such Shares to be validly tendered. If Right Certificates have not been distributed prior

to the time Shares are tendered pursuant to the Offer, a tender of Shares without Rights constitutes an agreement by the tendering stockholder to deliver Right Certificates representing a number of Rights equal to the number of Shares tendered pursuant to the Offer to the Depositary within five New York Stock Exchange, Inc. ("NYSE") trading days after the date Right Certificates are distributed. The Purchaser reserves the right to require that the Depositary receive such Right Certificates prior to accepting Shares for payment. Payment for Shares tendered and purchased pursuant to the Offer will be made only after timely receipt by the Depositary of, among other things, Right Certificates, if such certificates have been distributed to holders of Shares. The Purchaser will not pay any additional consideration for the Rights tendered pursuant to the Offer.

Holders of Shares and Rights whose certificates evidencing Shares and, if applicable, Right Certificates, are not immediately available (including if Right Certificates have not yet been distributed) or who cannot deliver confirmation of the book-entry transfer of their Shares into the Depositary's account at a Book-Entry Transfer Facility ("Book-Entry Confirmation") and all other documents required hereby to the Depositary on or prior to the Expiration Date (as defined in Section 1 of the Supplement) must tender their Shares and Rights according to the guaranteed delivery procedures set forth in Section 3 of the Offer to Purchase, as supplemented by Section 2 of the Supplement. See Instruction 2 of the revised Letter of Transmittal. Delivery of documents to a Book-Entry Transfer Facility does not constitute delivery to the Depositary.

THE OFFER IS CONDITIONED UPON, AMONG OTHER THINGS, (1) THERE BEING VALIDLY TENDERED PRIOR TO THE EXPIRATION OF THE OFFER AND NOT WITHDRAWN AT LEAST A MAJORITY OF THE SHARES OUTSTANDING ON A FULLY DILUTED BASIS AND (2) THE COMPANY HAVING ENTERED INTO A DEFINITIVE MERGER AGREEMENT WITH PARENT AND THE PURCHASER TO PROVIDE FOR THE ACQUISITION OF THE COMPANY PURSUANT TO THE OFFER AND THE PROPOSED MERGER.

For your information and for forwarding to your clients for whom you hold Shares registered in your name or in the name of your nominee, or who hold Shares registered in their own names, we are enclosing the following documents:

1. Supplement dated January 18, 1995;

2. Revised Letter of Transmittal to be used by holders of Shares and Rights in accepting the Offer and tendering Shares and/or Rights;

3. Revised letter which may be sent to your clients for whose account you hold Shares and/or Rights registered in your name or in the name of your nominees, with space provided for obtaining such clients' instructions with regard to the Offer;

4. Revised Notice of Guaranteed Delivery to be used to accept the Offer if certificates for Shares and/or Rights are not immediately available (including if certificates for Rights have not yet been distributed) or time will not permit all required documents to reach the Depositary by the Expiration Date (as defined in the Supplement) or if the procedure for book-entry transfer cannot be completed on a timely basis;

5. Guidelines of the Internal Revenue Service for Certification of Taxpayer Identification Number on Substitute Form W-9; and

6. Return envelope addressed to the Depositary.

Upon the terms and subject to the conditions of the Offer (including, if the Offer is extended or amended, the terms and conditions of any such extension or amendment), the Purchaser will accept for payment and pay for all of the Shares (and, if applicable, the Rights) which are validly tendered prior to the Expiration Date and not theretofore properly withdrawn when, as and if the Purchaser gives oral or written notice to the Depositary of the Purchaser's acceptance of such Shares and Rights for payment pursuant to the Offer. Payment for Shares and Rights purchased pursuant to the Offer will in all cases be made only after timely receipt by the Depositary of certificates for such Shares, and, if applicable, certificates for the Rights or timely confirmation of a book-entry transfer of such Shares and/or Rights into the Depositary's account at The Depository Trust Company, the Midwest Securities Company or the Philadelphia Depository Trust Company,

pursuant to the procedures described in Section 3 of the Offer to Purchase, and Section 2 of the Supplement, a properly completed and duly executed Letter of Transmittal (or manually signed facsimile thereof) or an Agent's Message in connection with a book-entry transfer, and all other documents required by the Letter of Transmittal.

The Purchaser will not pay any fees or commissions to any broker or dealer or other person (other than the Dealer Manager) in connection with the solicitation of tenders of Shares and Rights pursuant to the Offer. The Purchaser will, however, upon request, reimburse you for customary mailing and handling expenses incurred by you in forwarding the enclosed materials to your clients.

The Purchaser will pay or cause to be paid any transfer taxes payable on the transfer of Shares and Rights to it, except as otherwise provided in Instruction 6 of the enclosed Letter of Transmittal.

YOUR PROMPT ACTION IS REQUESTED. WE URGE YOU TO CONTACT YOUR CLIENTS AS PROMPTLY AS POSSIBLE. THE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 12:00 MIDNIGHT, NEW YORK CITY TIME, ON TUESDAY, FEBRUARY 7, 1995, UNLESS THE OFFER IS EXTENDED.

In order to take advantage of the Offer, a duly executed and properly completed Letter of Transmittal (or facsimile thereof), with any required signature guarantees and any other required documents, should be sent to the Depositary, and certificates representing the tendered Shares and/or Rights should be delivered or such Shares and/or Rights should be tendered by book-entry transfer, all in accordance with the Instructions set forth in the revised Letter of Transmittal, the Offer to Purchase and the Supplement.

If holders of Shares and/or Rights wish to tender, but it is impracticable for them to forward their certificates or other required documents prior to the expiration of the Offer, a tender may be effected by following the guaranteed delivery procedures specified under Section 3 of the Offer to Purchase and Section 2 of the Supplement.

Any inquiries you may have with respect to the Offer should be addressed to the Dealer Manager or the Information Agent at their respective addresses and telephone numbers set forth on the back cover page of the Offer to Purchase or the Supplement.

Additional copies of the enclosed materials may be obtained from the undersigned, at CS First Boston Corporation, telephone (212) 909-2000 (Collect), or by calling the Information Agent, Morrow & Co., Inc., at (212) 754-8000 (Collect), or from brokers, dealers, commercial banks or trust companies.

Very truly yours,

CS FIRST BOSTON CORPORATION

NOTHING CONTAINED HEREIN OR IN THE ENCLOSED DOCUMENTS SHALL CONSTITUTE YOU OR ANY PERSON AS AN AGENT OF PARENT, THE PURCHASER, THE DEPOSITARY, THE INFORMATION AGENT OR THE DEALER MANAGER, OR ANY AFFILIATE OF ANY OF THE FOREGOING, OR AUTHORIZE YOU OR ANY OTHER PERSON TO USE ANY DOCUMENT OR MAKE ANY STATEMENT ON BEHALF OF ANY OF THEM IN CONNECTION WITH THE OFFER OTHER THAN THE DOCUMENTS ENCLOSED AND THE STATEMENTS CONTAINED THEREIN.

Exhibit (a)(30)

OFFER TO PURCHASE FOR CASH
ALL OUTSTANDING SHARES OF COMMON STOCK
(Including the Associated Preferred Share Purchase Rights)

OF

SANTA FE PACIFIC CORPORATION

AT

$18.50 NET PER SHARE

BY

UP ACQUISITION CORPORATION,
A WHOLLY-OWNED SUBSIDIARY OF

UNION PACIFIC CORPORATION

To Our Clients: January 18, 1995

Enclosed for your consideration is the Supplement dated January 18, 1995 (the "Supplement") to the Offer to Purchase, dated November 9, 1994 (the "Offer to Purchase") and the revised Letter of Transmittal (which, as amended from time to time, together constitute the "Offer") relating to an offer by UP Acquisition Corporation, a Utah corporation (the "Purchaser") and a wholly-owned subsidiary of Union Pacific Corporation, a Utah corporation ("Parent"), to purchase all of the outstanding shares of Common Stock, par value $1.00 per share (the "Shares"), of Santa Fe Pacific Corporation, a Delaware corporation (the "Company"), including (unless and until the Purchaser declares that the Rights Condition (as defined in the Supplement) is satisfied) the associated preferred share purchase rights (the "Rights") issued pursuant to the Rights Agreement, dated as of November 28, 1994, between the Company and First Chicago Trust Company of New York, as Rights Agent. The Purchaser is now tendering for all outstanding Shares and has increased the price to be paid in the Offer to $18.50 per Share, net to the seller in cash, without interest thereon (the "Offer Price") upon the terms and subject to the conditions set forth in the Offer to Purchase, the Supplement and the revised Letter of Transmittal.

If the Purchaser declares that the Rights Condition is satisfied, the Purchaser will not require delivery of the Rights. Unless and until the Purchaser declares that the Rights Condition is satisfied, holders of Shares will be required to tender one Right for each Share tendered in order to effect a valid tender of such Share. If Right Certificates (as defined in the Supplement) have been distributed to holders of Shares prior to the date of tender pursuant to the Offer, Right Certificates representing a number of Rights equal to the number of Shares being tendered must be delivered to the Depositary in order for such Shares to be validly tendered. If Right Certificates have not been distributed prior to the time Shares are tendered pursuant to the Offer, a tender of Shares without Rights constitutes an agreement by the tendering stockholder to deliver Right Certificates representing a number of Rights equal to the number of Shares tendered pursuant to the Offer to the Depositary within five New York Stock Exchange, Inc. ("NYSE") trading days after the date Right Certificates are distributed. The Purchaser reserves the right to require that the Depositary receive such Right Certificates prior to accepting Shares for payment. Payment for Shares tendered and purchased pursuant to the Offer will be made only after timely receipt by the Depositary of, among other things, Right Certificates, if such certificates have been distributed to holders of Shares. The Purchaser will not pay any additional consideration for the Rights tendered pursuant to the Offer.

Holders whose certificates for Shares and, if applicable, Right Certificates, are not immediately available (including, if Right Certificates have not yet been distributed) or who cannot deliver confirmation of the

book-entry transfer of their Shares and Rights into the Depositary's account at a Book-Entry Transfer Facility ("Book-Entry Confirmation") and all other documents required hereby to the Depositary on or prior to the Expiration Date (as defined in Section 1 of the Supplement) must tender their Shares and Rights according to the guaranteed delivery procedures set forth in Section 3 of the Offer to Purchase, as supplemented by Section 2 of the Supplement. See Instruction 2 of the revised Letter of Transmittal. Delivery of documents to a Book-Entry Transfer Facility does not constitute delivery to the Depositary.

A tender for such Shares and Rights can be made only by us as the holder of record and pursuant to your instructions. THE LETTER OF TRANSMITTAL IS FURNISHED TO YOU FOR YOUR INFORMATION ONLY AND CANNOT BE USED BY YOU TO TENDER SHARES OR RIGHTS HELD BY US FOR YOUR ACCOUNT.

We request instructions as to whether you wish to tender any or all of such Shares and Rights held by us for your account, pursuant to the terms and conditions set forth in the Offer.

Your attention is invited to the following:

1. The tender price has been increased to $18.50 per Share, including the associated Rights, net to the seller in cash without interest.

2. The Offer and withdrawal rights will expire at 12:00 midnight, New York City time, on Tuesday, February 7, 1995, unless the Offer is extended.

3. The Offer is being made for all Shares.

4. The Offer is conditioned upon, among other things, (1) there being validly tendered prior to the expiration of the Offer and not withdrawn at least a majority of the Shares outstanding on a fully diluted basis and (2) the Company having entered into a definitive merger agreement with Parent and the Purchaser to provide for the acquisition of the Company pursuant to the Offer and the proposed merger.

5. Stockholders who tender Shares and/or Rights will not be obligated to pay brokerage commissions, solicitation fees or, except as set forth in Instruction 6 of the Letter of Transmittal, transfer taxes on the purchase of Shares and/or Rights by the Purchaser pursuant to the Offer.

The Purchaser is not aware of any state where the making of the Offer is prohibited by administrative or judicial action pursuant to any valid state statute. If the Purchaser becomes aware of any valid state statute prohibiting the making of the Offer or the acceptance of Shares or Rights pursuant thereto, the Purchaser will make a good faith effort to comply with any such state statute. If, after such good faith effort, the Purchaser cannot comply with any such state statute, the Offer will not be made to (nor will tenders be accepted from or on behalf of) the holders of Shares or Rights in such state. In any jurisdiction where the securities, blue sky or other laws require the Offer to be made by a licensed broker or dealer, the Offer will be deemed to be made on behalf of the Purchaser by the Dealer Manager or one or more registered brokers or dealers licensed under the laws of such jurisdiction.

If you wish to have us tender any or all of your Shares and Rights, please complete, sign and return to us the form set forth below. An envelope to return your instructions to us is enclosed. Your instructions to us should be forwarded in ample time to permit us to submit a tender on your behalf prior to the expiration of the Offer. If you authorize the tender of your Shares and Rights, all such Shares and Rights will be tendered unless otherwise specified on the instruction form set forth on the opposite page.

INSTRUCTIONS WITH RESPECT TO THE OFFER TO PURCHASE FOR CASH SHARES OF COMMON STOCK (INCLUDING THE ASSOCIATED PREFERRED SHARE PURCHASE RIGHTS) OF SANTA FE PACIFIC CORPORATION

The undersigned acknowledge(s) receipt of your letter and the enclosed Supplement dated January 18, 1995, and the revised Letter of Transmittal (which, together as amended from time to time constitute the "Offer") relating to the offer by UP Acquisition Corporation, a Utah corporation (the "Purchaser"), to purchase all the outstanding shares of Common Stock, par value $1.00 per share (the "Shares"), of Santa Fe Pacific Corporation, a Delaware corporation (the "Company"), including, (unless and until the Purchaser declares that the Rights Condition (as defined in the Supplement) is satisfied) the associated preferred share purchase rights (the "Rights") issued pursuant to the Rights Agreement, dated as of November 28, 1994, between the Company and First Chicago Trust Company of New York, as Rights Agent (the "Rights Agreement").

This will instruct you to tender to the Purchaser the number of Shares and Rights indicated below (or if no number is indicated below, all Shares and Rights) held by you for the account of the undersigned, on the terms and subject to the conditions set forth in the Offer.

NUMBER OF SHARES AND RIGHTS TO BE TENDERED:*

SHARES AND RIGHTS: ______________________

Account Number: ______________________

Dated: ______________________ , 1995

SIGN HERE

____

____

Signature(s)

____

____

Please print name(s) and address(es) here

____

Area Code and Telephone Number

____

Tax Identification or Social Security Number(s)

---

* Unless otherwise indicated, it will be assumed that all of your Shares and Rights held by us for your account are to be tendered.

Exhibit (a)(31)

OFFER TO PURCHASE FOR CASH
ALL OUTSTANDING SHARES OF COMMON STOCK
(Including the Associated Preferred Share Purchase Rights)

OF

SANTA FE PACIFIC CORPORATION

AT

$18.50 NET PER SHARE

BY

UP ACQUISITION CORPORATION,
A WHOLLY-OWNED SUBSIDIARY OF

UNION PACIFIC CORPORATION

January 18, 1995

To Participants in the Dividend Reinvestment Plan of Santa Fe Pacific Corporation:

Enclosed for your consideration is the Supplement dated January 18, 1995 to the Offer to Purchase dated November 9, 1994 and the revised Letter of Transmittal (which, together as amended from time to time constitute the "Offer") relating to the offer by UP Acquisition Corporation, a Utah corporation (the "Purchaser") and a wholly-owned subsidiary of Union Pacific Corporation, a Utah corporation ("Parent"), to purchase all of the outstanding shares of Common Stock, par value $1.00 per share (the "Shares"), of Santa Fe Pacific Corporation, a Delaware corporation (the "Company"), including (unless and until the Purchaser declares that the Rights Condition (as defined in the Supplement) is satisfied) the associated preferred share purchase rights (the "Rights") issued pursuant to the Rights Agreement, dated as of November 28, 1994, between the Company and First Chicago Trust Company of New York, as Rights Agent. The Purchaser is now tendering for all outstanding Shares and has increased the price to be paid in the Offer to $18.50 per Share, net to the seller in cash, without interest thereon (the "Offer Price") upon the terms and subject to the conditions set forth in the Offer.

If the Purchaser declares that the Rights Condition (as defined in the Supplement) is satisfied, the Purchaser will not require delivery of the Rights. Unless and until the Purchaser declares that the Rights Condition is satisfied, holders of Shares will be required to tender one Right for each Share tendered in order to effect a valid tender of such Share. If Right Certificates (as defined in the Supplement) have been distributed to holders of Shares prior to the date of tender pursuant to the Offer, Right Certificates representing a number of Rights equal to the number of Shares being tendered must be delivered to the Depositary in order for such Shares to be validly tendered. If Right Certificates have not been distributed prior to the time Shares are tendered pursuant to the Offer, a tender of Shares without Rights constitutes an agreement by the tendering stockholder to deliver Right Certificates representing a number of Rights equal to the number of Shares tendered pursuant to the Offer to the Depositary within five New York Stock Exchange, Inc. (the "NYSE") trading days after the date Right Certificates are distributed. The Purchaser reserves the right to require that the Depositary receive such Right Certificates prior to accepting Shares for payment. Payment for Shares tendered and purchased pursuant to the Offer will be made only after timely receipt by the Depositary of, among other things, Right Certificates, if such certificates have been distributed to holders of Shares. The Purchaser will not pay any additional consideration for the Rights tendered pursuant to the Offer.

Stockholders whose Share Certificates and, if applicable, Right Certificates, are not immediately available (including, if Right Certificates have not yet been distributed) or who cannot deliver confirmation of the book-entry transfer of their Shares and Rights into the Depositary's account at a Book-Entry Transfer Facility ("Book-Entry Confirmation") and all other documents required hereby to the Depositary on or prior to the Expiration Date (as defined in Section 1 of the Supplement) must tender their Shares and Rights according to the guaranteed delivery procedures set forth in Section 3 of the Offer to Purchase, as supplemented by Section 2 of the Supplement. See Instruction 2 of the revised Letter of Transmittal. Delivery of documents to a Book-Entry Transfer Facility does not constitute delivery to the Depositary.

Our nominee is the holder of record of Shares and Rights held for your account as a participant in the Dividend Reinvestment Plan of the Company (the "Plan"). A tender of such Shares and Rights can be made only by us through our nominee as the holder of record and pursuant to your instructions. The revised Letter of Transmittal is furnished to you for your information only and cannot be used by you to tender Shares and Rights held in your Plan account.

We request instructions as to whether you wish to have us instruct our nominee to tender on your behalf any or all of the Shares and Rights held in your Plan account, upon the terms and subject to the conditions set forth in the Offer.

Your attention is directed to the following:

1. The tender price has been increased to $18.50 per Share, net to the seller in cash without interest.

2. The Offer and withdrawal rights will expire at 12:00 midnight, New York City time, on Tuesday, February 7, 1995, unless the Offer is extended.

3. The Offer is now being made for all Shares.

4. The Offer is now conditioned upon, among other things, (1) there being validly tendered prior to the expiration of the Offer and not withdrawn at least a majority of the Shares outstanding on a fully diluted basis and (2) the Company having entered into a definitive merger agreement with Parent and the Purchaser to provide for the acquisition of the Company pursuant to the Offer and the proposed merger.

5. Holders who tender Shares and/or Rights will not be obligated to pay brokerage commissions, solicitation fees or, except as set forth in Instruction 6 of the Letter of Transmittal, transfer taxes on the purchase of Shares and/or Rights by the Purchaser pursuant to the Offer.

The Offer is made solely by the Offer to Purchase, the Supplement and the Letter of Transmittal and is being made to all holders of Shares. The Purchaser is not aware of any state where the making of the Offer is prohibited by administrative or judicial action pursuant to any valid state statute. If the Purchaser becomes aware of any valid state statute prohibiting the making of the Offer or the acceptance of Shares and Rights pursuant thereto, the Purchaser will make a good faith effort to comply with such state statute. If, after such good faith effort, the Purchaser cannot comply with any such state statute, the Offer will not be made to (nor will tenders be accepted from or on behalf of) the holders of Shares and Rights in such state. In any jurisdiction where the securities, blue sky or other laws require the Offer to be made by a licensed broker or dealer, the Offer will be deemed to be made on behalf of the Purchaser by the Dealer Manager or one or more registered brokers or dealers licensed under the laws of such jurisdiction.

Very truly yours,

First Chicago Trust Company of New York, AS
DIVIDEND REINVESTMENT AGENT

PAYER'S NAME: ________________________

SUBSTITUTE FORM W-9	PART I -- Taxpayer Identification Number -- For all accounts, enter taxpayer identification number in the box at right. For most individuals, this is your social (security number. If you do not have a number, see Obtaining a Number in the enclosed Guidelines.) Certify by signing and dating below. Note: If the account is in more than one name, see the chart in the enclosed Guidelines to determine which number to give the payer.	________________________ Social Security Number OR ________________________ Employer Identification Number (If awaiting TIN write "Applied For")
DEPARTMENT OF THE TREASURY INTERNAL REVENUE SERVICE		
Payer's Request for Taxpayer Identification Number(TIN)	PART II -- For Payees Exempt From Backup Withholding, see the enclosed Guidelines and complete as instructed therein.	

CERTIFICATION -- Under penalties of perjury, I certify that:

(1) The number shown on this form is my correct Taxpayer Identification Number (or I am waiting for a number to be issued to me) and

(2) I am not subject to backup withholding either because I have not been notified by the Internal Revenue Service (the "IRS") that I am subject to backup withholding as a result of failure to report all interest or dividends, or the IRS has notified me that I am no longer subject to backup withholding.

CERTIFICATE INSTRUCTIONS -- You must cross out item (2) above if you have been notified by the IRS that you are subject to backup withholding because of underreporting interest or dividends on your tax return. However, if after being notified by the IRS that you were subject to backup withholding you received another notification from the IRS that you are no longer subject to backup withholding, do not cross out item (2). (Also see instructions in the enclosed Guidelines.)

SIGNATURE	DATE	, 1995

NOTE: FAILURE TO COMPLETE AND RETURN THIS FORM MAY RESULT IN BACKUP WITHHOLDING OF 31% OF ANY PAYMENTS MADE TO YOU PURSUANT TO THE OFFER. PLEASE REVIEW THE ENCLOSED GUIDELINES FOR CERTIFICATION OF TAXPAYER IDENTIFICATION NUMBER ON SUBSTITUTE FORM W-9 FOR ADDITIONAL DETAILS.

INSTRUCTIONS WITH RESPECT TO
THE OFFER TO PURCHASE FOR CASH
ALL OUTSTANDING SHARES OF COMMON STOCK
(INCLUDING THE ASSOCIATED PREFERRED SHARE PURCHASE RIGHTS)

OF

SANTA FE PACIFIC CORPORATION

BY

UP ACQUISITION CORPORATION

The undersigned acknowledge(s) receipt of your letter and the enclosed Supplement, dated January 18, 1995, to the Offer to Purchase dated November 9, 1994, and the revised Letter of Transmittal (which, together as amended from time to time constitute the "Offer") relating to the offer by UP Acquisition Corporation, a Utah corporation (the "Purchaser"), to purchase all the outstanding shares of Common Stock, par value $1.00 per share (the "Shares"), of Santa Fe Pacific Corporation, a Delaware corporation, (the "Company"), including (unless and until the Purchaser declares that the Rights Condition (as defined in the Supplement) is satisfied) the associated preferred share purchase rights (the "Rights") issued pursuant to the Rights Agreement, dated as of November 28, 1994, between the Company and First Chicago Trust Company of New York, as Rights Agent (the "Rights Agreement"). The undersigned understand(s) that the Offer applies to Shares and Rights allocated to the account of the undersigned in the Company's Dividend Reinvestment Plan (the "Plan").

This will instruct you, as Dividend Reinvestment Agent, to instruct your nominee to tender the number of Shares and Rights indicated below (or, if no number is indicated below, all Shares and Rights) that are held for the Plan account of the undersigned, upon the terms and subject to the conditions set forth in the Offer.

Number of Shares and Rights to be Tendered:
Shares and Rights*:

SIGN HERE

Signature(s)

Please type or print address

Area Code and Telephone Number

Taxpayer Identification or
Social Security Number

Dated: , 1995

- ---------------
* Unless otherwise indicated, it will be assumed that all Shares and Rights held by us for your account are to be tendered.

Exhibit (a)(32)

WITHDRAWAL OF SHARES

OF COMMON STOCK

OF

SANTA FE PACIFIC CORPORATION

TENDERED PURSUANT TO THE JOINT TENDER OFFER BY

BURLINGTON NORTHERN INC.

AND

SANTA FE PACIFIC CORPORATION

To holders of Shares of Common Stock of
Santa Fe Pacific Corporation
who have tendered Shares pursuant to the
Joint Tender Offer by Burlington Northern Inc
and Santa Fe Pacific Corporation:

UP Acquisition Corporation (the "Purchaser") has amended the terms of its tender offer (the "UP Offer") for shares of Common Stock, par value $1.00 per share (the "Shares"), of Santa Fe Pacific Corporation (the "Company") to provide for the purchase of all outstanding Shares at a price of $18.50 net per Share in cash. The UP Offer will expire at 12:00 Midnight, New York City time, on Tuesday, February 7, 1995, unless the UP Offer is extended. If you have previously tendered Shares pursuant to the joint tender offer for up to 63,000,000 Shares by Burlington Northern Inc and Santa Fe Pacific Corporation (the "Joint Offer"), such Shares may be withdrawn prior to the expiration of the Joint Offer if the applicable procedures set forth in Section 4 of the Offer to Purchase, dated December 23, 1994 (the "Santa Fe/BN Joint Offer to Purchase") are followed. Section 4 of the Joint Offer to Purchase provides instructions as to the contents of, and procedures for delivery of, a notice of withdrawal of Shares.

For the convenience of holders of Shares, the Purchaser has provided the following form of "Notice of Withdrawal" which if properly completed and timely delivered to First Chicago Trust Company of New York, the Depositary for the Joint Offer, should enable holders of Shares to withdraw Shares tendered pursuant to the Joint Offer. The following form or a written, telegraphic, telex or facsimile notice of withdrawal must be timely received by First Chicago Trust Company of New York. Shareholders of Santa Fe Pacific Corporation who desire assistance in withdrawing Shares tendered pursuant to the Joint Offer may contact Morrow & Co, Inc., the Information Agent for the UP Offer, at its address and telephone number set forth below.

The Information Agent for the UP Offer is:

Morrow & Co., Inc.

909 Third Avenue, 20th Floor
New York, New York 10022
(212) 754-8000
(Call Collect)

39 South LaSalle Street
Chicago, Illinois 60603
(312) 444-1150
(Call Collect)

or

Call Toll Free 1-800-662-5200

NOTICE OF WITHDRAWAL

First Chicago Trust Company of New York

By Mail:	By Facsimile Transmission: (For Eligible Institution Only)	By Hand:
Tenders & Exchange P.O. Box 2564 Suite 4660 SFP Jersey City, NJ 07303-2564	(201) 222-4720 (201) 222-4721	Tenders & Exchange 14 Wall Street Suite 4680 SFP 8th Floor New York, NY 10005

Confirm Facsimile by Telephone
(for Confirmation Only)
(201) 222-4707

Gentlemen:

With respect to the joint tender offer commenced by Burlington Northern Inc. and Santa Fe Pacific Corporation, the undersigned hereby withdraws the shares of Common Stock, par value $1.00 per share (including the associated preferred share purchase rights issued pursuant to the Rights Agreement, dated as of November 28, 1994 between Santa Fe Pacific Corporation and First Chicago Trust Company of New York, as Rights Agent) (collectively, the "Shares"), of Santa Fe Pacific Corporation described below.

DESCRIPTION OF SHARES WITHDRAWN

Name(s) of tendering shareholder(s) ---

Name(s) of registered holder(s) (if different) ----------------------------------

Number of Shares withdrawn ---

FURTHER DESCRIPTION OF WITHDRAWN SHARES

A. (To be completed only if certificates have been delivered or otherwise identified to First Chicago Trust Company of New York, Depositary)

Certificate serial number(s) ---

B. (To be completed for Shares delivered by book-entry transfer)

Name of Book-Entry Transfer Facility ---

Name of account at Book-Entry Transfer Facility ---

Account number of account at Book-Entry Transfer Facility ---

STOCKHOLDERS SIGN HERE

Must be signed by registered holder(s) as name(s) appear(s) on stock certificate(s) or by person(s) authorized to become registered holder(s) by certificates and documents previously transmitted or transmitted herewith. If signature is by a trustee, executor, administrator, guardian, officer or other person acting in a fiduciary or representative capacity, please set forth full title.

- ---

- ---

Signature(s) of Owner(s)

Dated:
--------, 1995

Name(s)

- ---

Please Print

Capacity

Address

(including zip code)

GUARANTEE OF SIGNATURES
(TO BE COMPLETED ONLY IF
ITEM A ABOVE APPLICABLE)

Authorized Signature

Name

Title

Address

Name of Firm

Dated:
--------, 1995

Exhibit (a)(33)

UNION PACIFIC
CORPORATION

NEWS RELEASE

Contact: 610-861-3382
Gary F. Schuster
Vice President - Corporate Relations
Martin Tower
Eighth and Eaton Avenues
Bethlehem, PA 18018

FOR IMMEDIATE RELEASE

UNION PACIFIC INCREASES PRICE FOR SANTA FE
TO $18.50 PER SHARE

- - - - - - - - - - - - - - -

SEEKS TO ACQUIRE 100% OF SANTA FE SHARES
FOR CASH IN TENDER OFFER

- - - - - - - - - - - - - - -

BETHLEHEM, PA, JANUARY 17, 1995 -- Union Pacific Corporation (NYSE: UNP) announced today that it has revised its proposal to acquire Santa Fe Pacific Corporation (NYSE: SFX) to increase the price to $18.50 per common share in cash and to seek to acquire 100% of Santa Fe's outstanding shares in the tender offer. The revised offer values Santa Fe at $3.6 billion.

The terms of Union Pacific's revised proposal are described in a January 17, 1995 letter from Drew Lewis, Chairman and CEO of Union Pacific, to Robert D. Krebs, Chairman, President and Chief Executive Officer of Santa Fe, the full text of which is attached.

Union Pacific's revised tender offer is subject, among other things, to termination of Santa Fe's merger agreement with Burlington Northern in accordance with the terms of such

agreement, the shareholders of Santa Fe not having approved the merger agreement with Burlington Northern, at least a majority of the Santa Fe shares being validly tendered and not withdrawn prior to expiration of the offer, the poison pill rights issued by Santa Fe being redeemed by Santa Fe or the rights being otherwise inapplicable to the tender offer and proposed merger, and the absence of any judicial determination invalidating, modifying or imposing limitations on the ICC's approval regarding Union Pacific's use of a voting trust.

If less than 90% of Santa Fe's outstanding shares are tendered, the back-end merger of Union Pacific and Santa Fe, by which Union Pacific would acquire the remaining Santa Fe shares, would be subject, among other things, to the approval of Santa Fe shareholders.

#

[UNION PACIFIC CORPORATION LETTERHEAD]

January 17, 1995

Mr. Robert D. Krebs
Chairman, President and CEO
Santa Fe Pacific Corporation
1700 East Golf Road
Schaumburg, IL 60173

Dear Rob:

I am writing to inform you that Union Pacific has revised its acquisition proposal to increase the price to $18.50 per share in cash and to seek to acquire 100% of Santa Fe's outstanding shares in the tender offer.

By using our Interstate Commerce Commission approved voting trust, your shareholders would receive immediate payment of the entire purchase price in our transaction, without bearing any risk relating to ICC approval of our combination with Sante Fe. By contrast, the new, leveraged Burlington Northern transaction would require a delay of up to several years for payment of two-thirds of the purchase price to Santa Fe shareholders, and would require your shareholders to bear the risk of ICC approval.

In addition to the all-cash advantage of our offer, we believe our transaction is superior to the Burlington Northern acquisition when one discounts BN's purchase price for the time delay in payment, the ICC risk of non-consummation of the BN transaction and the uncertain value of the BN stock to be received.

Our preference remains to negotiate a merger agreement with Santa Fe. As your own advisors stated, we were very close to completing negotiation of a merger agreement before you announced your new transaction with Burlington Northern. We should be able to conclude our negotiations very quickly in light of our revised offer. We continue to believe it is a violation of your Board's fiduciary duties for Santa Fe to resist negotiating a transaction with Union Pacific.

If you refuse to negotiate with us, we would be prepared to purchase shares in our tender offer without a merger agreement, provided that your shareholders tender at least 90% of Santa Fe's outstanding shares and other impediments such as the rights plan are eliminated. In order to complete the acquisition on a unilateral basis, we would first ask the ICC to approve an amendment to our voting trust agreement that would enable the trustee to cause Santa Fe, following the acquisition of Santa Fe shares, to agree to cooperate with us in obtaining ICC approval of a Sante Fe/Union Pacific combination. We would seek ICC approval of the amended voting trust agreement once Santa Fe shareholders vote to disapprove the Burlington northern merger.

Our offer, including the conditions to our transaction, remains unchanged in all other material respects. Given your rejection of our alternative $20 all-stock proposal made several months ago, we confirm our withdrawal of such alternative proposal.

Sincerely,

/s/ Drew

DL/ss

cc: Board of Directors
Santa Fe Pacific Corporation

Exhibit (g)(11)

SPECIAL MEETING OF STOCKHOLDERS
OF
SANTA FE PACIFIC CORPORATION

SECOND SUPPLEMENT TO PROXY STATEMENT OF
UNION PACIFIC CORPORATION

SOLICITATION OF PROXIES
IN OPPOSITION TO THE PROPOSED MERGER OF
SANTA FE PACIFIC CORPORATION AND BURLINGTON NORTHERN INC.

This Second Proxy Statement Supplement (the "Second Supplement") is furnished by Union Pacific Corporation, a Utah corporation ("Union Pacific"), in connection with its solicitation of proxies to be used at a special meeting of stockholders of Santa Fe Pacific Corporation, a Delaware corporation ("Santa Fe"), and at any adjournments, postponements or reschedulings thereof (the "Special Meeting"). Union Pacific is soliciting proxies from stockholders of Santa Fe to vote against Santa Fe's proposal to merge Santa Fe with and into Burlington Northern Inc., a Delaware corporation ("BN") (such proposed merger, the "Santa Fe/BN Merger"). Santa Fe has publicly announced that the Special Meeting, which Santa Fe previously has postponed four times, is now scheduled to be held on Tuesday, February 7, 1995, at 3:00 p.m., Chicago time, at the Arlington Park Hilton Conference Center, 3400 W. Euclid Ave., Arlington Heights, Illinois, and the record date for determining those stockholders of Santa Fe who will be entitled to vote at the Special Meeting is December 27, 1994. This Second Supplement amends and modifies, and should be read in conjunction with, Union Pacific's Proxy Statement, dated October 28, 1994 (the "Union Pacific Proxy Statement"), as supplemented by the Supplement dated November 9, 1994 (the "First Supplement"). Capitalized terms used herein and not otherwise defined herein shall have the respective meanings assigned to such terms in the Union Pacific Proxy Statement, as supplemented by the First Supplement. Copies of the Union Pacific Proxy Statement and First Supplement are being mailed, together with this Second Supplement, to stockholders who were not previously furnished with the Union Pacific Proxy Statement and First Supplement. Additional copies of the Union Pacific Proxy Statement and First Supplement may be obtained without charge by contacting Morrow & Co., Inc. at the address or telephone number set forth on the back page hereof.

ON JANUARY 17, 1995, UNION PACIFIC ANNOUNCED THAT IT WAS AMENDING ITS PENDING CASH TENDER OFFER FOR SHARES OF SANTA FE COMMON STOCK (THE "SHARES") TO PROVIDE FOR THE PURCHASE OF 100% OF THE OUTSTANDING SANTA FE SHARES AT A PRICE OF $18.50 PER SHARE IN CASH. Union Pacific's amended cash tender offer (the "Amended Cash Tender Offer") is conditioned, among other things, on termination of the Santa Fe/BN merger agreement (the "Santa Fe/BN Merger Agreement") in accordance with its terms, the stockholders of Santa Fe not having approved the Santa Fe/BN Merger and negotiation of a mutually satisfactory merger agreement between Santa Fe and Union Pacific in accordance with the terms of Santa Fe's existing merger agreement with BN. The Amended Cash Tender Offer is not conditioned upon receipt of approval of the Interstate Commerce Commission ("ICC") of Union Pacific's acquisition of control of Santa Fe. In the event that (a) stockholders of Santa Fe do not approve the Santa Fe/BN Merger and the other conditions to the Amended Cash Tender Offer are satisfied or waived, and (b) there have been validly tendered prior to the expiration of the Amended Cash Tender Offer and not withdrawn at least 90% of the outstanding Shares, Union Pacific will waive the condition that Union Pacific and Santa Fe shall have entered into a mutually satisfactory merger agreement provided that the ICC staff shall have first provided a favorable informal, non-binding opinion with respect to, or the ICC shall have first approved, certain amendments to Union Pacific's Voting Trust. See "The Amended Union Pacific Cash Tender Offer" below.

IMPORTANT

UNION PACIFIC WILL TERMINATE THE AMENDED CASH TENDER OFFER IF STOCKHOLDERS OF SANTA FE APPROVE THE SANTA FE/BN MERGER.

EVEN IF YOU HAVE ALREADY VOTED IN FAVOR OF THE SANTA FE/BN MERGER, YOU HAVE EVERY RIGHT TO CHANGE YOUR VOTE. YOU MAY REVOKE YOUR PRIOR PROXY AND VOTE AGAINST THE SANTA FE/BN MERGER BY SIGNING, DATING AND MAILING THE ENCLOSED GOLD PROXY IN THE ENCLOSED SELF-ADDRESSED ENVELOPE. EACH VALIDLY EXECUTED PROXY YOU SUBMIT REVOKES ALL PRIOR PROXIES. NO POSTAGE IS NECESSARY IF YOUR PROXY IS MAILED IN THE UNITED STATES. VALIDLY EXECUTED GOLD PROXIES PREVIOUSLY SOLICITED BY UNION PACIFIC WILL BE VOTED AT THE SPECIAL MEETING UNLESS REVOKED PRIOR THERETO.

PLEASE SIGN, DATE AND MAIL THE GOLD PROXY TODAY. YOUR VOTE IS IMPORTANT NO MATTER HOW MANY OR HOW FEW SHARES YOU OWN.

THIS SECOND SUPPLEMENT AMENDS AND MODIFIES, AND SHOULD BE READ IN CONJUNCTION WITH, THE UNION PACIFIC PROXY STATEMENT AND FIRST SUPPLEMENT.

IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THE AMENDED CASH TENDER OFFER, UNION PACIFIC IS NOW TENDERING FOR ALL SHARES OF SANTA FE COMMON STOCK AT A PRICE OF $18.50 PER SHARE IN CASH. UNION PACIFIC NO LONGER IS PROPOSING TO ISSUE SHARES OF UNION PACIFIC COMMON STOCK OR OTHER SECURITIES IN A SECOND-STEP MERGER.

THE AMENDED UNION PACIFIC CASH TENDER OFFER

On January 17, 1995, Union Pacific announced that it was modifying and improving its proposal to acquire Santa Fe. Pursuant to the terms and subject to the conditions of the Amended Cash Tender Offer, Union Pacific is offering to purchase all of Santa Fe's outstanding Shares (including the associated preferred share purchase rights (the "Rights") issued in connection with Santa Fe's stockholders rights plan (the "Rights Plan")) in a cash tender offer for $18.50 per Share. Upon completion of the Amended Cash Tender Offer, Union Pacific would acquire any outstanding Shares not tendered and purchased in the Amended Cash Tender Offer (other than dissenting Shares) in a subsequent cash merger (the "Proposed Cash Merger") in exchange for $18.50 per Share, the same consideration paid in the Amended Cash Tender Offer.

Union Pacific will place all Shares acquired by Union Pacific (whether pursuant to the Amended Cash Tender Offer or the Proposed Cash Merger) into a voting trust (the "Voting Trust") that would be independent of Union Pacific. On November 28, 1994, Union Pacific received an informal, non-binding opinion from the ICC staff authorizing the use of the Voting Trust, and on December 20, 1994 the ICC approved the Voting Trust. Neither the Amended Cash Tender Offer nor the Proposed Cash Merger would be conditioned upon receipt of approval by the ICC of Union Pacific's acquisition of control of Santa Fe. See "ICC Matters; The Voting Trust."

The Amended Cash Tender Offer and withdrawal rights will expire at 12:00 midnight, New York City time, on Tuesday, February 7, 1995, unless the Amended Cash Tender Offer is extended. A complete description of the terms and conditions of the Amended Cash Tender Offer, certain additional information relating to the Voting Trust and other background information is contained in the Offer to Purchase dated November 9, 1994 (as amended by the Supplement to the Offer to Purchase dated January 18, 1995 and as it may be amended from time to time, the "Offer to Purchase").

THIS SECOND SUPPLEMENT IS NEITHER AN OFFER TO PURCHASE NOR A SOLICITATION OF OFFERS TO SELL SHARES OF SANTA FE COMMON STOCK. ANY SUCH OFFER IS MADE ONLY PURSUANT TO THE OFFER TO PURCHASE.

TENDERING SHARES OF SANTA FE COMMON STOCK WILL NOT CONSTITUTE THE GRANT OF A PROXY TO VOTE IN CONNECTION WITH THE SANTA FE/BN MERGER. ACCORDINGLY, UNION PACIFIC URGES SANTA FE STOCKHOLDERS TO SUBMIT A GOLD PROXY CARD TO VOTE AGAINST THE SANTA FE/BN MERGER, WHETHER OR NOT YOU TENDER YOUR SANTA FE SHARES PURSUANT TO THE AMENDED CASH TENDER OFFER.

The Amended Cash Tender Offer is conditioned upon, among other things, (1) there being validly tendered prior to the expiration of the Amended Cash Tender Offer and not withdrawn a number of Shares which, when added to the Shares beneficially owned by UP Acquisition Corporation, a wholly-owned subsidiary of Union Pacific (the "Purchaser"), and its affiliates, constitutes at least a majority of the Shares outstanding on a fully diluted basis, (2) Santa Fe having entered into a definitive merger agreement with Union Pacific and the Purchaser to provide for the acquisition of Santa Fe pursuant to the Amended Cash Tender Offer and the Proposed Cash Merger, (3) the stockholders of Santa Fe not having approved the Santa Fe/BN Merger, (4) the Purchaser being satisfied that Section 203 of the Delaware General Corporation Law has been complied with or is invalid or otherwise inapplicable to the Amended Cash Tender Offer and the Proposed Cash Merger, (5) the Purchaser being satisfied that the Santa Fe/BN Merger Agreement has been terminated in accordance with its terms, (6) the Purchaser being satisfied that the Rights issued pursuant to

the Rights Plan have been redeemed by Santa Fe or the Rights are unenforceable or otherwise inapplicable to the Amended Cash Tender Offer and the Proposed Merger and (7) the absence of any judicial, administrative or other determination invalidating, modifying or imposing limitations unacceptable to the Purchaser on the ICC's approval of the Purchaser's use of a Voting Trust. The Amended Cash Tender Offer is also subject to other terms and conditions described in the Offer to Purchase. The Amended Cash Tender Offer is not conditioned upon approval by the ICC of the Purchaser's acquisition of control of Santa Fe, a due diligence condition or Union Pacific obtaining financing. The purchase of Shares in the Amended Cash Tender Offer and Proposed Cash Merger would be a taxable transaction for federal income tax purposes.

The Purchaser will waive the condition that Santa Fe and Union Pacific enter into a mutually satisfactory merger agreement if at least 90% of the outstanding Shares have been tendered prior to the expiration of the Amended Cash Tender Offer and not withdrawn, and all other conditions to the Amended Cash Tender Offer have been satisfied or waived and (1) the Purchaser is satisfied in its sole discretion that, immediately following the consummation of the Amended Cash Tender Offer, the Purchaser will have the ability to effectuate a short-form merger under Section 253 of the Delaware General Corporation Law (the "Short-Form Merger") and (2) the Purchaser has received a favorable informal, non-binding opinion of the ICC staff with respect to, or ICC approval of, an amendment to the Voting Trust to enable the Trustee to take actions to cause Santa Fe to cooperate with the Purchaser in obtaining approval of the ICC of the acquisition of control of Santa Fe by Union Pacific (the "ICC Control Approval"). Such actions would include (i) amending Santa Fe's Certificate of Incorporation, in connection with effecting the Short-Form Merger, to eliminate the classified form of Santa Fe's Board of Directors and to enable the Trustee to remove Santa Fe's directors without cause and (ii) providing that the Trustee would elect new directors of Santa Fe who are committed to entering into an agreement to cooperate with the Purchaser in obtaining the ICC Control Approval and who are committed to maintain the integrity of Santa Fe's railroad business pending receipt of ICC Control Approval. Although favorable ICC action with respect to the amendment to the Voting Trust is expected, there can be no assurance that such action will be forthcoming. The Purchaser intends to seek ICC approval of such amendment to the Voting Trust at such time as the Purchaser is satisfied that the Santa Fe/BN Merger has not been approved by Santa Fe's stockholders. In the Short-Form Merger, each outstanding Share that is not purchased in the Amended Cash Tender Offer (other than dissenting Shares) would be converted into the right to receive $18.50 in cash.

The Amended Cash Tender Offer is subject to conditions which may or may not be satisfied. Unless all of the conditions to the Amended Cash Tender Offer are either satisfied or waived, there can be no assurance that the Purchaser will purchase any Shares pursuant to the Amended Cash Tender Offer.

The Purchaser is currently reviewing its options with respect to the Amended Cash Tender Offer and may consider, among other things, changes to the material terms of the Amended Cash Tender Offer. In addition, Union Pacific and the Purchaser intend to continue to seek to negotiate with Santa Fe with respect to the acquisition of Santa Fe by Union Pacific or the Purchaser. The Purchaser has reserved the right to amend the Amended Cash Tender Offer (including amending the number of Shares to be purchased, the purchase price and the proposed second-step merger consideration) upon entry into a merger agreement with Santa Fe or to negotiate a merger agreement with Santa Fe not involving a tender offer. Accordingly, such negotiations could result in, among other things, amendment or termination of the Amended Cash Tender Offer and submission of a different acquisition proposal to Santa Fe's stockholders for their approval.

There is no requirement that Santa Fe stockholders wishing to accept the Amended Cash Tender Offer vote their Shares in any specific way and there is no requirement that Santa Fe stockholders tender their Shares in order to vote against the Santa Fe/BN Merger. However, by voting AGAINST the Santa Fe/BN Merger, stockholders will be voting to satisfy one of the conditions to the Amended Cash Tender Offer. Even if the condition that Santa Fe stockholders do not vote to approve the Santa Fe/BN Merger is satisfied, there can be no assurance that the other conditions to the Amended Cash Tender Offer will be satisfied and accordingly there can be no assurance that any Shares will be purchased in the Amended Cash Tender Offer.

CERTAIN RECENT DEVELOPMENTS SINCE NOVEMBER 9, 1994

On November 10, 1994, Union Pacific announced that it had signed a commitment letter with a group of banks to provide aggregate financing of $2 billion for its tender offer which had commenced on November 9, 1994.

According to the BN and Santa Fe Joint Offer to Purchase, dated December 23, 1994, as supplemented by the Supplement dated January 13, 1995, filed with the Securities and Exchange Commission (collectively, the "Joint Offer to Purchase"), on November 11, 1994, Santa Fe requested that BN consider restructuring the merger in response to Union Pacific's announcement that it would establish the Voting Trust. BN did not make a substantive response to this request.

On November 13, 1994, Dick Davidson, President of Union Pacific and Chairman and Chief Executive Officer of Union Pacific Railroad Company, sent the following letter to Robert D. Krebs, Chairman, President and Chief Executive Officer of Santa Fe:

November 13, 1994

Mr. Robert D. Krebs
Chairman, President & CEO
Santa Fe Pacific Corporation
1700 East Golf Road
Schaumburg, Illinois 60173

Dear Rob:

I am writing to express our disappointment with your continued refusal to discuss our proposal. Five days ago, we submitted a newly structured proposal to negotiate an acquisition of Santa Fe. The value of our proposed transaction represents a premium to the consideration in your proposed Burlington Northern merger. We included a voting trust in order to eliminate the risk to Santa Fe shareholders of ICC review of a Santa Fe/Union Pacific combination. Although you have repeatedly said that you would consider such a proposal, we have heard nothing from you.

We believe our proposal is superior to the Burlington Northern merger in terms of price, timing and certainty. We assume you are talking with Burlington Northern to see if they will improve their transaction. One cannot conduct a fair auction by negotiating and sharing information with only one of the bidders. In light of our current proposal, we believe it is contrary to the best interests of your

shareholders and a clear violation of your Board of Directors' fiduciary duties for you to refuse to talk with us.

It is not possible for you to "consider" our proposal fairly without meeting with us. We are prepared to negotiate any and all of the contractual terms of our draft merger agreement provided to you last Thursday. For instance, as we indicated in our draft agreement, we are prepared to discuss the conditions to our tender offer in the context of a negotiated transaction. We are also prepared to discuss any issues you may have concerning the structure of, or process for using, a voting trust.

We note that our draft merger agreement, unlike your agreement with Burlington Northern, would provide Santa Fe with the right to terminate the agreement in order to accept a superior competing offer. We strongly urge that you not enter into any further agreement with Burlington Northern (including any additional amendment to your existing merger agreement) without including such a right of termination. This is especially appropriate and important in light of our proposal.

Delaware law and your Board's fiduciary duties require that you establish a level playing field. You have flexibility to achieve this without violating your contractual obligations to Burlington Northern. It is time for you to act in the best interest of your shareholders and in accordance with your fiduciary obligations by meeting with us now.

Your shareholders' meeting is scheduled to be held in only five days. Please call me so that we can arrange a time and place for a meeting.

Sincerely,

/s/ Dick Davidson

cc: Board of Directors
Santa Fe Pacific Corporation

On November 14, 1994, Santa Fe issued a press release stating that Santa Fe's Board of Directors had postponed the Special Meeting of Stockholders to vote on the Santa Fe/BN Merger until Friday, December 2, 1994.

On November 22, 1994, Santa Fe's Board of Directors recommended that stockholders not tender their Shares to Union Pacific. Santa Fe's Solicitation/Recommendation Statement on Schedule 14D-9, dated November 22, 1994 (together with all amendments thereto, the "Schedule 14D-9"), disclosed that the Santa Fe Board had based its recommendation on the following factors: (i) uncertainty regarding whether or when the ICC opinion will be issued on the Voting Trust and whether the ICC may prevent Union Pacific from using a Voting Trust; (ii) Union Pacific's proposal is a taxable transaction, whereas BN's proposal is nontaxable; and (iii) Union Pacific's offer is subject to a number of other conditions which suggest that the proposal is too uncertain to be considered a firm alternative to the Santa Fe/BN Merger. The Schedule 14D-9 stated that Santa Fe's Board believes that Union Pacific should improve the financial terms of its latest

proposal. Also on November 22, 1994, Mr. Davidson sent the following letter to Mr. Krebs commenting on, among other things, the Schedule 14D-9:

November 22, 1994

Mr. Robert D. Krebs
Chairman, President and CEO
Santa Fe Pacific Corporation
1700 East Golf Road
Schaumburg, IL 60173

Dear Rob:

Two weeks ago, we submitted our revised proposal to negotiate an acquisition of Santa Fe. Our terms and structure -- fair price and a voting trust -- meet the criteria that you have set forth on a number of occasions for considering our proposal. Since making our proposal, despite our repeated requests to begin discussions, you have refused to talk or meet with us.

Today, I received your letter and a copy of your Schedule 14D-9 filing in which you publicly recommended that your stockholders not tender their shares. The stated reasons for your Board's rejection of our proposal are unpersuasive and, we believe, misleading in many respects. Of equal importance, the issues you raise are precisely the issues you should have been discussing with us during the last two weeks.

Your first objection relates to our proposed use of a voting trust -- notwithstanding your own previous demands that we propose a voting trust. You point out the obvious fact that we have not yet obtained Interstate Commerce Commission approval to use the trust. Yet, you fail to mention that the use of a trust in a situation such as ours has never been denied by the ICC. We believe that ICC approval of our trust will be forthcoming shortly.

You ask us to improve the financial terms of our proposal, yet you fail to mention that our proposal represents a premium to the consideration in your proposed Burlington Northern merger, which has been endorsed by your financial advisors as fair to your shareholders. We were surprised by the failure in your Schedule 14D-9 to advise Santa Fe shareholders of the views of your financial advisors as to the fairness of our offer. We believe it is highly unusual for a board of directors to make a recommendation without obtaining such advice. If your Board did obtain such advice, it should have been disclosed to your shareholders.

You claim that our proposal is too conditional, yet you fail to mention that we advised you in writing on November 13 that we were prepared to negotiate all contractual terms of our proposal, including the conditions to our tender offer. We believe the condition of ICC approval of your merger with Burlington Northern creates considerable uncertainty for that transaction. Our proposal would eliminate that risk for your shareholders.

You note that our transaction is a taxable one, yet you fail to mention our continued willingness to discuss with Santa Fe our tax-free, stock-for-stock proposal.

Finally, you ask for "clarification" of these issues. Can there be any effective way of obtaining clarification other than for you to meet with us? You say your recommendation is "subject to change as events unfold" that "clarify" our proposal, yet you have resisted obtaining such clarification.

The process you have established of engaging in discussions and sharing information with Burlington Northern while refusing to talk or meet with us prevents us from competing on an equal basis. This process cannot possibly allow you and your Board of Directors to fulfill your fiduciary duty and maximize value for your shareholders.

We again call on you to establish a fair process and meet with us.

Sincerely,

/s/ Dick Davidson

cc: Board of Directors
Santa Fe Pacific Corporation

On November 23, 1994, Union Pacific announced that it expected to extend its tender offer beyond the December 8, 1994 deadline because of Santa Fe's unwillingness to negotiate a merger agreement.

On November 25, 1994 and November 27, 1994, representatives of Santa Fe's financial advisor and representatives of Union Pacific's financial advisor discussed whether Union Pacific would be willing to increase the price of its proposal.

On November 28, 1994, Union Pacific announced that it had received an informal, non-binding opinion from the staff of the ICC authorizing the use of the Voting Trust in its proposed transaction with Santa Fe. Also on November 28, 1994, Union Pacific announced that Mr. Davidson sent the following letter to Mr. Krebs:

November 28, 1994

Mr. Robert D. Krebs
Chairman, President and CEO
Santa Fe Pacific Corporation
1700 East Golf Road
Schaumburg, IL 60173

Dear Rob:

In several recent communications, you have insisted that Union Pacific improve its proposal as a pre-condition to your having any discussions or sharing any information with us. We believe this position only creates an additional impediment to your establishing a fair process for the sale of Santa Fe.

Over the last two months, we have unilaterally made three attractive proposals to negotiate an acquisition of Santa Fe. During this period, you have consistently refused to talk or to meet with us and have been unwilling to provide us with any of the confidential information that you furnished to Burlington Northern.

As you know, the Interstate Commerce Commission today approved the use of a voting trust in our proposed acquisition. We believe our current proposal is superior to that of Burlington Northern in terms of price, form of consideration, timing and certainty. The next step should be yours. It is time to begin discussions and to share information.

Sincerely,

/s/ Dick Davidson

cc: Board of Directors
Santa Fe Pacific Corporation

On November 29, 1994, Santa Fe announced that it had postponed from December 2, 1994 to December 16, 1994 the Special Meeting of Stockholders to vote on the Santa Fe/BN Merger. Santa Fe also announced that it would meet with Union Pacific in an effort to clarify and improve Union Pacific's offer and that Santa Fe's Board had adopted the Rights Plan. In addition, Santa Fe stated that the Board had postponed the distribution date of the Rights from December 1, 1994 to December 16, 1994. Later on November 29, 1994, Union Pacific's financial advisor telephoned Santa Fe's financial advisor to discuss a possible negotiation process between the parties and Union Pacific's access to certain confidential information regarding Santa Fe.

According to the Joint Offer to Purchase, on December 2, 1994, Santa Fe asked BN to consider revising the original Santa Fe/BN merger agreement to provide for a higher exchange ratio combined with tender offers by BN and Santa Fe for Shares and open market repurchases by Santa Fe of Shares after the tender offer and prior to consummation of the merger, in each case contingent on stockholder approval of the merger. Santa Fe advised BN that, based on discussions with some of Santa Fe's large stockholders, such a revision might draw the support of those stockholders. BN made no substantive response to this request.

On December 3, 1994, representatives of Union Pacific and Union Pacific's legal and financial advisors met with Santa Fe's legal advisors to review and discuss certain financial and other information regarding Santa Fe. After appropriate provisions had been agreed to limiting Union Pacific's access to certain commercially sensitive information, Union Pacific's legal and financial advisors were allowed to review certain additional information.

On December 4, 1994, representatives of Union Pacific met with representatives of Santa Fe at Santa Fe's offices in Schaumburg, Illinois. At this meeting, the parties discussed certain financial and other information regarding Santa Fe.

During early December, legal advisors of Union Pacific and legal advisors of Santa Fe conducted discussions with respect to a proposed merger agreement. During these discussions, the legal advisors discussed, among other things, the conditions to the original tender offer and a proposed merger agreement. In order to address Santa Fe's concerns set forth in the Schedule 14D-9 (as set forth above and below), Union Pacific's legal advisors sent revised conditions to Santa Fe's legal advisors. Union Pacific and the Purchaser believe that substantial progress was made in these discussions in negotiating a mutually satisfactory merger agreement, although no final agreement was reached.

On December 7, 1994, Union Pacific announced that it had extended the expiration date of its tender offer to 12:00 Midnight, New York City time, on Friday, December 23, 1994.

According to the Joint Offer to Purchase, on December 13, 1994, representatives of BN informed representatives of Santa Fe that BN might be willing, subject to approval of BN's Board of Directors, to combine an increase in the exchange ratio for the merger with a tender offer by both BN and Santa Fe for Shares and possible repurchases by Santa Fe of Shares in the open market after the tender offer and prior to consummation of the Santa Fe/BN Merger, in each case contingent on stockholder approval of the merger. Representatives of BN and representatives of Santa Fe then discussed the possible terms such a transaction might include.

According to the Joint Offer to Purchase, on or about December 14, 1994, Santa Fe postponed its Special Meeting of Stockholders to vote on the original Santa Fe/BN Merger to January 27, 1995, and changed the record date for that meeting to December 27, 1994. Also on December 14, representatives of BN and representatives of Santa Fe continued the discussions they had conducted the previous day.

On December 14, 1994, despite Union Pacific's receipt of an informal non-binding staff opinion from the ICC authorizing the use of the Voting Trust, Santa Fe's Board of Directors continued to recommend that stockholders not tender their Shares to Union Pacific. According to Amendment No. 3 to the Schedule 14D-9, Santa Fe disclosed that the Santa Fe Board had based its recommendation on the fact that:

> the Union Pacific Offer is subject to a number of conditions that are of concern to [Santa Fe]. These conditions provide Union Pacific with the broad discretionary ability to terminate its [o]ffer upon the occurrence of certain events, many of which are not necessarily in the direct control of [Santa Fe]. Such conditions include, but are not limited to, the occurrence of a threat or commencement of any action or proceeding by any person challenging the transactions contemplated by the [o]ffer or any subsequent merger; any material adverse change in prices generally of shares on the New York Stock Exchange; armed hostilities directly or indirectly involving the United States; and any tender or exchange offer or any public proposal of a tender or exchange offer for any common stock of [Santa Fe] by any other person.

In the Schedule 14D-9, Santa Fe further based its recommendation on the fact that:

> the merger agreement that Union Pacific is asking [Santa Fe] to execute as a condition to consummating the [o]ffer would require that [Santa Fe] make a number of representations and warranties and that the accuracy of those representations and warranties be a condition to consummation of the merger. This requirement is problematic for [Santa Fe] because it creates a risk that Union Pacific could consummate the [o]ffer but fail to consummate the merger, leaving Santa Fe's present stockholders as minority stockholders.

On December 14, 1994, Drew Lewis, Chairman and Chief Executive Officer of Union Pacific, sent the following letter to Mr. Krebs:

December 14, 1994

Mr. Robert D. Krebs
Chairman, President and CEO
Santa Fe Pacific Corporation
1700 East Golf Road
Schaumburg, IL 60173

Dear Rob:

I am writing to advise you, as requested by your advisors, of our position concerning our merger proposal.

Our response at this stage is a function of Santa Fe's having pursued a flawed sale process. Your advisors have repeatedly demanded that we improve our proposal while refusing to establish any procedures for considering competing proposals on a fair and equal basis. In fact, your advisors have frequently told us you will not negotiate with Union Pacific unless we agree to pay at least $20 per Santa Fe share. This position is clearly inconsistent with your negotiating and recommending several transactions with Burlington Northern at prices well below $20.

We believe our current proposal is an extremely attractive one and in the best interests of Santa Fe and its shareholders and customers. Despite this, you have continued to pursue a process that favors any result other than a transaction with Union Pacific. We are prepared to continue discussions with you, but we urge you to establish a fair and open sale process.

Sincerely,

/s/ Drew

On December 15, 1994, Union Pacific's legal advisor sent the following letter to Santa Fe's legal advisor:

December 15, 1994

Scott J. Davis, Esq.
Mayer, Brown & Platt
190 South LaSalle Street
Chicago, Illinois 60606

Dear Scott:

On behalf of Union Pacific, I am writing to raise a number of concerns with the process that Santa Fe has established for considering competing proposals to acquire Santa Fe. These issues were described yesterday in detail by CS First Boston to Goldman Sachs and also were referred to in a letter from Drew Lewis to Robert Krebs.

As CS First Boston advised Goldman Sachs yesterday, Santa Fe has not necessarily received Union Pacific's best proposal. Union Pacific has been and is willing to consider and discuss revisions to its proposal. However, Union Pacific's response at this stage is a function of Santa Fe's having pursued what we believe is a flawed sale process. Santa Fe has failed to treat bidders on a fair and equal basis and appears to be pursuing a process that favors any outcome other than a transaction with Union Pacific.

Specifically, among other things, Santa Fe's financial advisors have repeatedly stated that Santa Fe will not negotiate a transaction with Union Pacific unless Union Pacific confirms that it is prepared to provide value of at least $20 per Santa Fe share. This position is inconsistent with Santa Fe's negotiating and recommending several transactions with Burlington Northern, all of which have been at prices well below $20. We are concerned that your insistence on such a high price as a condition to a transaction with Union Pacific serves to discourage any transaction with Union Pacific while you pursue a variety of alternative transactions with Burlington Northern at a lower value level. If you also have told Burlington Northern and any other interested parties that you will not negotiate a transaction unless it provides value of at least $20 per share, you should disclose to us and the public that you have established a $20 bidding floor for all potential purchasers.

We are further concerned that Santa Fe has limited itself to "clarifying" Union Pacific's proposal, while apparently engaging in extensive substantive negotiations with Burlington Northern. Santa Fe's process appears designed to use Union Pacific as a stalking horse, and use what we discuss with you in your negotiations with Burlington Northern.

There have been reports about Santa Fe's consideration of alternative structures for a transaction. We are prepared to consider alternative structures and request that you promptly advise us of any alternatives which your client may prefer.

Please advise Santa Fe that Union Pacific is eager to participate in a fair process, and is willing to consider and negotiate revisions to its proposal. Union Pacific asks only that it be treated on an equal basis with Burlington Northern.

You will be receiving today by separate cover a revised form of merger agreement. Union Pacific's draft merger agreement contains fewer conditions, and provides greater certainty, than your agreement with Burlington Northern. Notwithstanding this, Union Pacific is prepared to discuss any and all remaining concerns you may have.

We note that our agreement does not contain any "lock-up" provision, despite Union Pacific's having unilaterally offered Santa Fe a right to terminate any agreement with Union Pacific in order to accept a superior proposal -- a right which does not exist in your current agreement with Burlington Northern. We expect that your concerns about providing Union Pacific with any lock-up or expense reimbursement apply equally to Burlington Northern and that you will not provide Burlington Northern any stock or asset rights, a "bust up" fee or other arrangement that would in any manner impede Union Pacific's efforts to pursue a transaction with Santa Fe.

I would appreciate your discussing these matters with your client and responding to us at your earliest convenience.

Sincerely,

/s/ Paul T. Schnell
Skadden, Arps, Slate, Meagher & Flom

cc: Carl W. von Bernuth, Esq.

Also on December 15, 1994, Mr. Krebs sent the following letter in response to Mr. Lewis' letter:

December 15, 1994

Mr. Drew Lewis, Chairman
Union Pacific Corporation
Martin Tower
Eighth and Eaton Avenues
Bethlehem, Pennsylvania 18018

Dear Drew:

This is in response to your letter dated December 14, 1994 concerning the process that Santa Fe is currently pursuing. Your letter assumes that Santa Fe is conducting an auction. In fact, however, the board of Santa Fe has never put the company up for sale. Instead, subject to shareholder approval, the board agreed to a strategic combination with the Burlington Northern, which is designed to achieve significant long-term growth for Santa Fe's shareholders far beyond the current value of the Burlington Northern stock that is to be exchanged in the merger. After that agreement was announced, Union Pacific made an unsolicited merger proposal to Santa Fe.

As you know, under our contract with Burlington Northern, Santa Fe could not provide confidential information to or negotiate with any other potential merger partner unless the board was advised by counsel that it had a fiduciary duty to do so. After Union Pacific improved its offer and obtained the ICC staff's approval of its proposed voting trust, we were advised by our counsel that we did have a fiduciary duty to provide information and to negotiate with Union Pacific. In the past two weeks, we have made available to Union Pacific all of the information that was given to Burlington Northern, and more. In fact, at a meeting in our office on December 4, 1994, your executive vice president-finance, L. White Matthews III, told a group of our senior officers that the amount of information Union Pacific had received from Santa Fe was more than they "dreamed" of obtaining. In addition, we have negotiated in good faith the terms of Union Pacific's proposed merger agreement and tender offer.

Throughout our discussions over the past two weeks we have continually emphasized the need for Union Pacific to improve its offer as soon as possible. We have also been negotiating with Burlington Northern with a view toward improving the existing merger agreement. In all of these discussions, our goal has been to achieve the best result for our shareholders, taking into account both short-term and long-term objectives.

I believe that we have done everything we can to enable Union Pacific to improve its offer, and, as our financial advisors have been telling your financial advisors for many days, we hope you will do so promptly. The process we have followed is designed to promote the best interests of our shareholders.

Sincerely,

/s/ Rob

According to the Joint Offer to Purchase, on December 15, 1994, Santa Fe's Board met and heard a presentation from Santa Fe's management and financial and legal advisors regarding BN's proposal. Santa Fe's Board authorized its representatives to negotiate with BN representatives to attempt to reach a definitive agreement.

On December 15, 1994, Union Pacific issued a press release confirming that it continued to hold discussions with Santa Fe in response to Santa Fe's request that Union Pacific clarify its acquisition proposal. Union Pacific also requested that Santa Fe clarify its process for considering competing proposals.

Also on December 15, 1994, Santa Fe announced that Santa Fe's Board had postponed the distribution date of the Rights from December 16, 1994 to January 31, 1995.

On December 16, 1994, Union Pacific announced that it would consider revising its proposal if Santa Fe established a fair process. Also on December 16, 1994, Mr. Lewis sent the following letter to Mr. Krebs:

December 16, 1994

Mr. Robert D. Krebs
Chairman, President and CEO
Santa Fe Pacific Corporation
1700 East Golf Road
Schaumburg, IL 60173

Dear Rob:

I have read your December 15 letter, and can only conclude that you have not been kept fully apprised of the actions of your management and advisors.

Your characterization of Santa Fe's process for considering bids, or lack of such a process, is inaccurate and distorted. Most importantly, you have not, as you assert, done everything you can to enable Union Pacific to revise its proposal. On the contrary, Santa Fe has pursued a process that favors any outcome other than a transaction with Union Pacific.

We are extremely disappointed with the flawed and biased sale process being pursued by Santa Fe. Our financial advisor, CS First Boston, expressed our concerns to your financial advisor, Goldman Sachs, on December 14. On December 15, before you sent me your letter, our counsel expressed these concerns in a letter to your counsel, a copy of which is enclosed.

And now, in light of your letter, I will tell you directly of our concerns.

Here are the facts:

1. Your advisors have said you will not even consider a proposal from us at less than $20 per share, although you negotiated and recommended several transactions with Burlington Northern at prices well below $20 per share. Your insistence on such a high minimum price as a condition to a transaction with Union Pacific discourages any transaction with Union Pacific while you pursue a variety of alternative transactions with Burlington Northern at a lower value level.

2. Santa Fe has refused to establish any procedures that would permit us to compete on an equal basis with Burlington Northern. While you obviously have continued to engage in serious, substantive negotiations with Burlington Northern, you have simply sought "clarifications" from us while repeatedly asking us to "improve" what for many weeks has been the most attractive proposal on the table. You are using Union Pacific as a stalking horse for an improved Burlington Northern bid. Based on your agreement with Burlington Northern, we must assume that Santa Fe is using information obtained in its discussions with Union Pacific to assist Burlington Northern in its efforts to improve its bid.

3. Santa Fe has discussed alternative acquisition structures with Burlington Northern, but, despite our stated willingness to consider alternative structures and revisions to our current proposal, you have not given us any indication of what alternative structures would be acceptable to Santa Fe.

4. Santa Fe, in its recent Schedule 14D-9 filing, stated that our proposal "is subject to a number of conditions that are of concern to [Santa Fe]." But, the fact is, Union Pacific's proposal contains fewer conditions, and provides greater certainty for your shareholders, than the transaction you willingly agreed to with Burlington Northern.

5. Santa Fe's Board of Directors unilaterally adopted a "poison pill" rights plan that specifically exempts Burlington Northern but is applicable to our proposal.

6. Santa Fe has stood silently by while Burlington Northern, your preferred suitor, has tried unsuccessfully to block ICC approval of our voting trust. This is the voting trust that you specifically asked us to establish more than two months ago and that provides speed and certainty for your shareholders.

7. Santa Fe apparently never asked its financial advisor to express its opinion as to the fairness of our proposal, but, as you know, Santa Fe previously requested and received a fairness opinion on the Burlington Northern merger which, at the time, based on the then current market price, valued Santa Fe shares at approximately $13.50.

This listing is by no means exhaustive but is illustrative of the flawed and biased sale process undertaken by Santa Fe. In light of this, the assertion that Santa Fe's goal has been to achieve the best results for its shareholders rings hollow.

Let me be very clear. By your actions you have put Santa Fe up for sale and Union Pacific is a very interested buyer. We want to acquire Santa Fe by competing on an equal basis with Burlington Northern and any other potential bidders. If Santa Fe establishes a fair and open process, we would be eager to participate, and would be willing to consider and discuss revisions to our proposal.

Santa Fe has stated that it is considering alternative structures. If you and your Board truly desire a fair process, it is incumbent upon you to inform us promptly of each alternative under consideration, to

state the minimum bidding level (if any) applicable to all interested parties, and to give us the opportunity to consider and respond to each alternative. In addition, you should instruct your management and advisors to establish immediately a fair and unbiased sale process. If you would like our specific suggestions concerning establishing a fair process, our advisors would be pleased to provide them.

Santa Fe has not necessarily received Union Pacific's best proposal. I await your response.

Sincerely,

/s/ Drew

Later on December 16, 1994, Union Pacific's legal advisor sent the following letter to Santa Fe's legal advisor:

December 16, 1994

Scott J. Davis, Esq.
Mayer, Brown & Platt
190 South LaSalle Street
Chicago, Illinois 60606

Dear Scott:

We have not received any response to Drew Lewis' letter to Robert Krebs sent earlier today or to my letter to you dated December 15.

I am writing on behalf of Union Pacific Corporation to suggest that the legal and financial advisors of each party meet briefly to discuss whether we can structure a process for going forward that is acceptable to both our clients.

Based on Union Pacific's willingness to consider and discuss revisions to its proposal, it would be in both parties' interest to continue to progress with the discussions. We hope that a meeting of advisors would enable our clients to do that.

Please call me at any time this evening or over the weekend to discuss this matter.

Sincerely,

/s/ Paul T. Schnell
Skadden, Arps, Slate, Meagher & Flom

cc: Carl W. von Bernuth, Esq.

Also on December 16, 1994, Union Pacific extended the expiration date of its tender offer to 12:00 Midnight, New York City time, on Thursday, January 19, 1995.

According to the Joint Offer to Purchase, beginning on December 16, 1994, representatives of Santa Fe and BN met to discuss whether a definitive agreement could be reached. In addition, representatives of Santa Fe had discussions with some of Santa Fe's large stockholders to determine whether or under what circumstances they would make written commitments to support the revised merger.

On December 17, 1994, as requested by Union Pacific, Union Pacific's financial and legal advisors conducted a telephonic meeting with Santa Fe's financial and legal advisors. During this meeting, among other things, Union Pacific's advisors, on behalf of Union Pacific, expressed to Santa Fe's advisors the interest of Union Pacific in making an improved proposal to acquire Santa Fe provided that Union Pacific be given an opportunity to bid for Santa Fe on a fair and equal basis with BN. Union Pacific's advisors expressed the concern that Santa Fe had failed to establish a fair and unbiased sale process. In particular, Union Pacific's advisors objected to the fact that Santa Fe would continually advise BN of substantive communications occurring between Santa Fe and Union Pacific, including with respect to any revised acquisition proposal that Union Pacific might make. Santa Fe's advisors asserted, among other things, that Santa Fe was not conducting an auction, time was of the essence and if Union Pacific wanted to improve its bid, it should do so soon.

Also on December 17, 1994, according to the Joint Offer to Purchase, the negotiations between Santa Fe's and BN's representatives continued with no agreement being reached.

On December 17, 1994, Mr. Krebs sent Mr. Lewis the following letter:

Mr. Drew Lewis, Chairman
Union Pacific Corporation
Martin Tower
8th and Eaton Avenues
Bethlehem, PA 18018

Dear Drew:

I am not sure that continuing to trade letters on "process" issues serves any useful function. However, let me briefly reiterate Santa Fe's position. Contrary to the statement in your December 16 letter, the Santa Fe board has NOT put the company up for sale, and it is not conducting an auction. We entered into a contract for a strategic combination with Burlington Northern -- a combination that promises significant long-term growth. We are now negotiating with Burlington Northern in order to improve that agreement.

At the same time, however, we have provided Union Pacific with all of the information about Santa Fe it needs in order to make its best alternative proposal. If you are willing and able to improve your proposal, I suggest that you do so without delay.

Sincerely,

/s/ Rob

According to the Joint Offer to Purchase, on December 18, 1994, Santa Fe and BN representatives reached an agreement on the terms of the revised Santa Fe/BN Merger Agreement.

According to the Joint Offer to Purchase, on December 18, 1994, Santa Fe's Board approved the revised Santa Fe/BN Merger Agreement. Shortly after Santa Fe's Board meeting, BN and Santa Fe entered into the revised Santa Fe/BN Merger Agreement.

On December 18, 1994, Mr. Lewis sent the following letter to Mr. Krebs:

December 18, 1994

Mr. Robert D. Krebs
Chairman, President and CEO
Santa Fe Pacific Corporation
1700 East Golf Road
Schaumburg, IL 60173

Dear Rob:

I understand that you sent a letter to my office Saturday.

We continue to be troubled by Santa Fe's refusal to address in any way our concerns about your process for considering acquisition proposals.

As we have repeatedly stated, and said to your advisors yesterday, we want to be in a position to make an improved proposal. We see no reason why you cannot address our concerns, and hope you will give consideration to the specific suggestions made by our advisors.

Sincerely,

/s/ Drew Lewis

On December 18, 1994, Santa Fe announced that BN and Santa Fe would make a joint tender offer to acquire 63,000,000 Shares, or approximately 33% of all such Shares outstanding, at $20.00 per Share in a recapitalization and merger transaction.

On December 20, 1994, Union Pacific announced that it was reviewing its options concerning its proposal to acquire Santa Fe. Also on December 20, 1994, Mr. Lewis sent the following letter to Mr. Krebs:

December 20, 1994

Mr. Robert D. Krebs
Chairman, President and CEO
Santa Fe Pacific Corporation
1700 East Golf Road
Schaumberg, IL 60173

Dear Rob:

The recent actions of Santa Fe are but a continuation of Santa Fe's ongoing efforts to pursue its sale to Burlington Northern, and to prevent a transaction with Union Pacific, at all costs.

We object to Santa Fe's grant of "lock-ups" to Burlington Northern to deter competing bids, and to Santa Fe's repeated refusal to address our objections to its flawed sales process.

With regard to Santa Fe's efforts to deter competing bids, we note with interest that a Burlington Northern representative, who would speak only on the condition of anonymity, was quoted today in the press as stating: "This is a carefully crafted plan designed to accomplish the merger and to make it prohibitively expensive for UP to top."

As we have announced, we will be reviewing our options concerning our acquisition proposal.

Sincerely,

/s/ Drew

Also on December 20, 1994, the ICC issued an order of the full commission approving the Voting Trust.

On December 23, 1994, Santa Fe and BN commenced a tender offer (the "Joint Offer") for up to 63,000,000 Shares (together with the associated Rights) at $20.00 per Share, net to the tendering stockholder in cash, with Santa Fe severally obligated to purchase up to 38,000,000 Shares and BN severally obligated to purchase up to 25,000,000 Shares pursuant to the Joint Offer upon the terms and subject to the conditions set forth in the Joint Offer to Purchase. See "Santa Fe/BN Joint Offer and Merger Proposal" below.

The original Santa Fe/BN Merger Agreement was amended to provide that, among other things, Santa Fe is obligated under certain circumstances, to pay certain fees to BN upon termination of the Santa Fe/BN Merger Agreement. According to the Joint Offer to Purchase, the Santa Fe/BN Merger Agreement specifically provides that:

> [Santa Fe] has agreed that if the [Santa Fe/BN Merger Agreement] shall be terminated due to (a) the acquisition of any Person, entity or "group" other than [BN] of more than 50% or more of the outstanding [Shares], (b) the approvals of the stockholders of [Santa Fe] and [BN] having not have been obtained, (c) the Board of Directors of [Santa Fe], prior to the meeting of stockholders of [Santa Fe], having withdrawn, modified or changed in a manner adverse to [BN], its approval or recommendation of the [Santa Fe/BN Merger Agreement] or the [m]erger, (d) the board of directors of [Santa Fe] having withdrawn or modified in a manner adverse to [BN] its approval or recommendation of the [Joint] Offer, the [Santa Fe/BN Merger Agreement] or the [m]erger in order to permit [Santa Fe] to execute a definitive agreement in connection with a Takeover Proposal (as defined in the [Santa Fe/BN Merger Agreement]) or in order to approve another tender offer for [Shares] or the board of directors of [Santa Fe] shall have recommended any other Takeover Proposal, or (e) if the [Joint] Offer is terminated and [Santa Fe] and [BN] shall not have purchased [Shares] pursuant to the [Joint] Offer, then it will pay [BN] an amount equal to $50,000,000 plus all out-of-pocket expenses, not to exceed $10,000,000 incurred by [BN] in connection with the [Santa Fe/BN Merger Agreement], the [Joint] Offer and all related transactions ... provided, that no such payment will be required if the [Santa Fe/BN Merger Agreement] is terminated pursuant to clause (b), (c) or (e) above unless, after December 18, 1994, a new Takeover Proposal involving [Santa Fe] has been announced or made (it being understood that any modification of [Union Pacific's offer] in existence on December 18, 1994 shall be deemed a new Takeover Proposal). [Santa Fe] has also agreed that if the [Santa Fe/BN Merger Agreement] shall be terminated pursuant to clause (b), (c) or (e) above and no payment is required by it in the manner contemplated above, it will reimburse [BN] for all out-of-pocket expenses incurred by [BN] in

connection with the [Santa Fe/BN Merger Agreement], the [m]erger, the [Joint] Offer and all related transactions.

According to the terms of the Santa Fe/BN Merger Agreement, the Amended Cash Tender Offer is an event which, under certain circumstances, would obligate Santa Fe to pay a termination fee to BN in the amount of $50,000,000 plus an additional amount for expenses incurred by BN up to a maximum of $10,000,000.

Also on December 23, 1994, according to Amendment No. 6 to the Schedule 14D-9, Santa Fe's Board of Directors continued to recommend that stockholders not tender their Shares to Union Pacific.

On January 15, 1995, Union Pacific's Board of Directors met to consider the various alternatives available to Union Pacific in connection with its efforts to acquire Santa Fe.

On January 17, 1995, the Board of Directors of Union Pacific held a meeting and authorized the Amended Cash Tender Offer.

Also on January 17, 1995, Mr. Lewis sent the following letter to Mr. Krebs:

January 17, 1995

Mr. Robert D. Krebs
Chairman, President and CEO
Santa Fe Pacific Corporation
1700 East Golf Road
Schaumburg, IL 60173

Dear Rob:

I am writing to inform you that Union Pacific has revised its acquisition proposal to increase the price to $18.50 per share in cash and to seek to acquire 100% of Santa Fe's outstanding shares in the tender offer.

By using our Interstate Commerce Commission approved voting trust, your shareholders would receive immediate payment of the entire purchase price in our transaction, without bearing any risk relating to ICC approval of our combination with Santa Fe. By contrast, the new, leveraged Burlington Northern transaction would require a delay of up to several years for payment of two-thirds of the purchase price to Santa Fe shareholders, and would require your shareholders to bear the risk of ICC approval.

In addition to the all-cash advantage of our offer, we believe our transaction is superior to the Burlington Northern acquisition when one discounts BN's purchase price for the time delay in payment, the ICC risk of non-consummation of the BN transaction and the uncertain value of the BN stock to be received.

Our preference remains to negotiate a merger agreement with Santa Fe. As your own advisors stated, we were very close to completing negotiation of a merger agreement before you announced your new

transaction with Burlington Northern. We should be able to conclude our negotiations very quickly in light of our revised offer. We continue to believe it is a violation of your Board's fiduciary duties for Santa Fe to resist negotiating a transaction with Union Pacific.

If you refuse to negotiate with us, we would be prepared to purchase shares in our tender offer without a merger agreement, provided that your shareholders tender at least 90% of Santa Fe's outstanding shares and other impediments such as the rights plan are eliminated. In order to complete the acquisition on a unilateral basis, we would first ask the ICC to approve an amendment to our voting trust agreement that would enable the trustee to cause Santa Fe, following the acquisition of Santa Fe shares, to agree to cooperate with us in obtaining ICC approval of a Santa Fe/Union Pacific combination. We would seek ICC approval of the amended voting trust agreement once Santa Fe shareholders vote to disapprove the Burlington Northern merger.

Our offer, including the conditions to our transaction, remains unchanged in all other material respects. Given your rejection of our alternative $20 all-stock proposal made several months ago, we confirm our withdrawal of such alternative proposal.

Sincerely,

/s/ Drew

cc: Board of Directors
Santa Fe Pacific Corporation

On January 17, 1995, Union Pacific announced the terms of the Amended Cash Tender Offer described in the above letter.

On January 18, 1995, the Purchaser commenced the Amended Cash Tender Offer.

ICC MATTERS; THE VOTING TRUST

On November 28, 1994, Union Pacific received an informal, non-binding opinion from the staff of the ICC authorizing the use of the Voting Trust in its proposed acquisition of Santa Fe.

Also on November 28, 1994, the ICC, acting through Chairman McDonald (the "Chairman"), denied petitions of BN's railroad subsidiary, Burlington Northern Railroad Company ("BNR"), and the Kansas City Southern Railway Company ("KCS") and a letter request of the State of Colorado Department of Transportation, all seeking to have the ICC formally investigate, and solicit public comment on, Union Pacific's proposed Voting Trust, and a petition of a number of railroad unions (the "Rail Unions") seeking various declaratory orders with regard to the Voting Trust. BNR, KCS and the Rail Unions subsequently appealed this decision to the full ICC, and Union Pacific filed oppositions to these administrative appeals.

On December 6, 1994, the ICC issued a decision denying a request by BNR and others that the ICC staff's informal opinion letter be withdrawn pending resolution of the administrative appeals, and indicating that a decision on those appeals would be forthcoming shortly.

On December 7, 1994, BNR filed actions in the United States Court of Appeals for the Third Circuit (the "Third Circuit") seeking review of the December 6, 1994 decision and an injunction barring Union Pacific and the Purchaser from placing the Shares in the Voting Trust until the ICC conducted a formal investigation.

On December 12, 1994, Union Pacific filed an opposition to BNR's injunction request in the Third Circuit. On December 12, 1994, the ICC filed a memorandum with the Third Circuit indicating that the ICC would shortly be deciding the administrative appeals, and urging the court to refrain from issuing any dispositive orders in the meantime. On December 14, 1994, BNR filed a reply in support of its injunction request.

On December 12, 1994, the Rail Unions filed petitions in the Third Circuit seeking a writ of mandamus against the ICC directing the ICC to investigate the Voting Trust and bar Union Pacific and the Purchaser from using the Voting Trust, and an injunction against Union Pacific and the Purchaser prohibiting the use of the Voting Trust until the ICC has granted Union Pacific authority to control Santa Fe. On December 16, 1994, Union Pacific filed an opposition to these petitions. On December 16, 1994, the ICC filed a memorandum with the Third Circuit indicating that the ICC would shortly be deciding the administrative appeals, and that the Rail Unions' action should thus be dismissed as moot.

On December 20, 1994, the ICC issued a decision of the full commission denying the administrative appeals of BNR, KCS and the Rail Unions from the Chairman's initial decision and approving the Voting Trust subject to a modification clarifying the authority of the ICC to approve any plan of divestiture or sale of the stock held in trust. On December 20, 1994, the ICC also filed a motion with the Third Circuit to dismiss BNR's December 7, 1994 review petition and the Rail Unions' December 12, 1994 mandamus petition, and suggesting that requests for an injunction against Union Pacific and the Purchaser also be dismissed.

Also on December 20, 1994, BNR filed a petition in the Third Circuit for review of the ICC's December 20, 1994 decision. On December 21, 1994, BNR filed a petition with the ICC requesting a stay of the ICC's December 20, 1994 decision pending judicial review and a temporary cease and desist order against Union Pacific to prohibit implementation of the Voting Trust pending judicial review. On January 5, 1995, the Rail Unions filed a similar petition. On December 22, 1994, Union Pacific filed an opposition to the BNR petition, and on January 17, 1995, Union Pacific filed an opposition to the Rail Unions' petition.

On December 28, 1994, BNR filed in the Third Circuit an opposition to the ICC's December 20, 1994 motion, stating that BNR agreed that BNR's December 7, 1994 appeal is moot and could be dismissed, but denying that BNR's injunction request should be dismissed. The Rail Unions filed a similar opposition on January 12, 1995.

On January 6, 1995, the ICC denied the petition filed by BNR with the ICC on December 21, 1994.

On January 10, 1995, BNR filed a motion in the Third Circuit seeking a stay pending judicial review of the ICC's December 20, 1994 decision. On January 11, 1995, the Rail Unions filed a response in support of the BNR motion, and on January 13, 1995, the Rail Unions filed their own, similar stay request. On

January 12, 1995, Union Pacific filed an opposition to the BNR motion, and on January 18, 1995, Union Pacific filed an opposition to the Rail Unions' stay request.

On January 10, 1995, the Rail Unions filed a petition in the United States Court of Appeals for the Tenth Circuit for review of the ICC's December 20, 1994 decision, and a motion for transfer of this review proceeding to the Third Circuit.

On January 13, 1995, the Third Circuit issued an order denying the requests of BNR and the Rail Unions for an injunction against Union Pacific and BNR's motion for a stay pending judicial review of the ICC's December 20, 1994 decision, and dismissing as moot BNR's December 7, 1994 review petition and the Rail Unions' December 12, 1994 mandamus petition.

CERTAIN LITIGATION CONCERNING THE SANTA FE/BN MERGER -- RECENT DEVELOPMENTS

On January 18, 1995, Union Pacific and James A. Shattuck moved the Court of Chancery in the State of Delaware for leave to file their Second Amended and Supplemental Complaint (the "Second Amended Complaint"). In the proposed Second Amended Complaint, the plaintiffs have withdrawn as moot their claims against the original Santa Fe/BN Merger Agreement and have alleged, among other things, that Santa Fe and members of Santa Fe's Board have breached their fiduciary duties by (i) entering into the revised Santa Fe/BN Merger Agreement without meeting their obligation to act reasonably to seek the transaction offering the best value reasonably available to the stockholders in a sale of Santa Fe; (ii) failing to implement fair and equal procedures for the acceptance and consideration of competing bids for the purchase of Santa Fe; (iii) improperly agreeing to the termination fee and expense reimbursement provisions of the revised Santa Fe/BN Merger Agreement; and (iv) improperly adopting a discriminatory stockholder rights plan in response to Union Pacific's tender offer.

The Second Amended Complaint seeks an order of final judgment, inter alia (a) requiring Santa Fe and Santa Fe's directors to adopt fair and equitable procedures for the acceptance and consideration of competing bids for Santa Fe; (b) enjoining the operation of the Rights pursuant to the Rights Plan and declaring the Rights inapplicable or unenforceable as applied to the Amended Cash Tender Offer and the Proposed Cash Merger; (c) declaring that the termination fee and expense reimbursement provisions of the revised Santa Fe/ BN Merger Agreement are invalid and unenforceable; and (d) declaring that Union Pacific has not tortiously interfered with the contractual or other legal rights of Santa Fe or BN.

SANTA FE/BN JOINT OFFER AND MERGER PROPOSAL

On December 23, 1994, Santa Fe and BN commenced the Joint Offer for up to 63,000,000 Shares (together with the associated Rights) at $20.00 per Share, net to the tendering stockholder in cash, with Santa Fe severally obligated to purchase up to 38,000,000 Shares and BN severally obligated to purchase up to 25,000,000 Shares pursuant to the Joint Offer upon the terms and subject to the conditions set forth in the Joint Offer to Purchase.

According to the Joint Offer to Purchase, of the Shares tendered and accepted for payment in the Joint Offer, Santa Fe is severally obligated to purchase 60.3% of such Shares and BN is severally obligated to purchase 39.7% of such Shares, subject to the terms and conditions of the Joint Offer. According to the Joint

Offer to Purchase and the Santa Fe/BN Merger Agreement, Santa Fe plans to merge into BN whereby the separate existence of Santa Fe will cease with BN continuing as the surviving corporation, and each outstanding Share will be converted into a right to receive 0.40 of a share of BN common stock. As of January 17, 1995, the last full trading day prior to the date of this Second Supplement, 0.40 of a share of BN common stock had a value of $21.05, based on the closing sales price of BN common stock as reported on the New York Stock Exchange.

The Joint Offer is conditioned upon, among other things, (1) at least 63,000,000 Shares being validly tendered and not withdrawn before the expiration of the Joint Offer, (2) Santa Fe and BN having obtained sufficient financing on terms satisfactory to them to purchase 63,000,000 Shares pursuant to the Joint Offer and (3) approval of the Santa Fe/BN Merger by the stockholders of Santa Fe and BN.

PLEASE SIGN, DATE AND MAIL THE ENCLOSED GOLD PROXY TODAY. NO POSTAGE IS REQUIRED IF MAILED IN THE UNITED STATES. BY SIGNING AND MAILING THE ENCLOSED GOLD PROXY, ANY PROXY PREVIOUSLY SIGNED BY YOU RELATING TO THE SUBJECT MATTER HEREOF WILL BE AUTOMATICALLY REVOKED. VALIDLY EXECUTED GOLD PROXIES PREVIOUSLY SOLICITED BY UNION PACIFIC WILL BE VOTED AT THE SPECIAL MEETING UNLESS REVOKED PRIOR THERETO.

UNION PACIFIC CORPORATION

Dated: January 18, 1995

ADDITIONAL INFORMATION

If your Shares of Santa Fe common stock are held in the name of a bank or broker, only your bank or broker can vote your Shares of Santa Fe common stock and only upon receipt of your specific instructions. Please instruct your bank or broker to execute the GOLD proxy card today. If you have any questions or require any assistance in voting your Shares of Santa Fe common stock, please call:

MORROW & CO., INC.
Call Toll Free: (800) 662-5200
909 Third Avenue
New York, New York 10022
In New York City, call: (212) 754-8000

Exhibit (g)(12)

IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE
IN AND FOR NEW CASTLE COUNTY

```
- - - - - - - - - - - - - - - - - X
                                  :
UNION PACIFIC CORPORATION         :
and JAMES A. SHATTUCK,            :
                                  :
               Plaintiffs,        :
                                  :
           v.                     :
                                  :         Civil Action No. 13778
SANTA FE PACIFIC CORPORATION,     :
BILL M. LINDIG, ROY S.            :
ROBERTS, JOHN S. RUNNELLS II,     :
ROBERT H. WEST, JOSEPH F.         :
ALIBRANDI, GEORGE DEUKMEJIAN,     :
JEAN HEAD SISCO, ROBERT D.        :
KREBS, MICHAEL A. MORPHY,         :
EDWARD F. SWIFT, and              :
BURLINGTON NORTHERN, INC.,        :
                                  :
           Defendants.            :
                                  :
- - - - - - - - - - - - - - - - - X
```

SECOND AMENDED AND SUPPLEMENTAL COMPLAINT(1)

Plaintiffs, Union Pacific Corporation ("Union Pacific") and James A. Shattuck, by their undersigned attorneys, by and for their second amended and supplemental complaint, allege upon knowledge as to themselves and

- --------------------

1 Attached as Exhibit A hereto is a copy of this Second Amended and Supplemental Complaint which, pursuant to Chancery Court Rule 15(aa), is marked to indicate the differences between this document and the First Amended and Supplemental Complaint filed in C.A. No. 13778 as follows: new language appears in bold type and deletions are indicated by a caret.

upon information and belief as to all other matters, as follows:

1. This action is brought for injunctive and declaratory relief to address a wrongful course of conduct by defendants which is designed to deprive Santa Fe Pacific Corporation ("Santa Fe") shareholders of the opportunity to consider and receive a tender offer (the "Tender Offer") and merger proposal from Union Pacific Corporation ("Union Pacific") amounting to approximately $3.75 billion.

2. The transaction proposed by Union Pacific is superior to the pending merger proposal from Burlington Northern Inc. ("Burlington Northern") that has been endorsed as fair by Santa Fe's financial advisors, particularly after discounting the Burlington Northern proposal for the time delay in payment, the risk of non-consummation relating to the Interstate Commerce Commission ("ICC") approval process and the uncertain value of the Burlington Northern stock to be received by Santa Fe shareholders. Union Pacific's proposed transaction -- unlike the proposed merger with Burlington Northern -- is not contingent on approval by the ICC because, at Santa Fe's insistence, it provides for a voting trust that would be independent of Union Pacific in order to elimi-

nate the regulatory risk for Santa Fe shareholders. By contrast, Burlington Northern's proposal provides only limited non-contingent value to Santa Fe's shareholders, through a partial tender offer mostly paid for by Santa Fe itself.

3. Despite the superior value offered by Union Pacific which can be immediately received by Santa Fe shareholders, the Santa Fe board of directors (the "Board") consistently has refused, in breach of its fiduciary duties under Delaware law, fairly and equally to consider Union Pacific's superior bid to acquire Santa Fe, and instead has pursued a process that improperly favors the preferred transaction with Burlington Northern. That process is intended improperly to coerce Santa Fe's shareholders to approve the proposed merger with Burlington Northern. The Board's conduct in this regard includes (1) the Board's refusal to establish a fair and equal process for the consideration of competing proposals to acquire Santa Fe, (2) the Board's implementation of a poison pill rights plan to prevent Santa Fe shareholders from receiving the benefit of Union Pacific's superior tender offer and merger proposal, (3) the Board's approval of a "bust up" fee and expense reimbursement provision designed to favor the Burlington

Northern proposal, and (4) the Board's public expression of the implausible and contradictory view that Santa Fe is not "for sale," despite the protracted bidding contest to acquire Santa Fe, the Board's acknowledgement that their fiduciary duties require them to negotiate with Union Pacific, and the Board's approval of a "bust up" fee, which would only be justifiable in the context of a fair and equitable sale process.

THE PARTIES

4. Plaintiff Union Pacific is a corporation organized and existing under the laws of the State of Utah, with its principal office and place of business at Eighth and Eaton Avenues, Bethlehem, Pennsylvania. Union Pacific has been the owner of Santa Fe common stock since October 6, 1994.

5. Plaintiff James A. Shattuck has been, at all times relevant to this action, and is the owner of Santa Fe common stock.

6. Burlington Northern is a corporation organized and existing under the laws of the State of Delaware, with its principal office and place of business at 777 Main Street, Fort Worth, Texas.

7. Santa Fe is a corporation organized and existing under the laws of the State of Delaware, with

its principal office and place of business at 1700 East Golf Road, Schaumburg, Illinois.

8. Robert D. Krebs is Chairman of the Board of Directors, President and Chief Executive Officer of Santa Fe.

9. The other directors of Santa Fe are defendants Bill M. Lindig, Roy S. Roberts, John S. Runnells II, Robert H. West, Joseph F. Alibrandi, George Deukmejian, Jean Head Sisco, Michael A. Morphy and Edward F. Swift (collectively with Mr. Krebs, the "Director Defendants").

THE BURLINGTON NORTHERN-SANTA FE MERGER AGREEMENT

10. On June 29, 1994, defendants Burlington Northern and Santa Fe entered into a merger agreement (the "Original Merger Agreement"), which provided for the merger of Santa Fe with and into Burlington Northern (the "BNI Merger"). Pursuant to the Original Merger Agreement, each Santa Fe shareholder would receive .27 shares of Burlington Northern stock for each share of Santa Fe stock, representing a value of $13.50 per Santa Fe share, based on the closing price on October 4, 1994.

11. The Original Merger Agreement did not by its express terms permit termination based on the fiduciary duty of the directors of Santa Fe to secure and

recommend to the stockholders of Santa Fe a later, better offer. Indeed, the Santa Fe Board was advised by its counsel that it had no right to terminate the Original Merger Agreement in order to facilitate a higher offer. Such advice was -- on its face -- contrary to Delaware law, as recently expressed in Paramount Communications v. QVC Network, Del. Supr., 637 A.2d 34 (1994).

THE BATTLE FOR SANTA FE

Union Pacific Triggers A
Bidding Contest For Santa Fe.

12. The Board of Directors of Union Pacific met on October 5, 1994 and authorized the management of Union Pacific to pursue a merger with Santa Fe. The Board authorized the proposal for a variety of valid business reasons. Among these are that a merger with Union Pacific would benefit the shareholders of Santa Fe, the shareholders of Union Pacific and customers of the two companies by making a quantum leap towards a 21st century transportation system.

13. The board of Union Pacific determined at its October 5, 1994 meeting and at previous meetings that a combination of Union Pacific and Santa Fe would produce major service improvements that a merger of Burlington Northern and Santa Fe could not, including more new

single-line service, and greater savings and efficiencies. The board of Union Pacific also determined that a combination of Union Pacific and Santa Fe would strengthen western rail competition in a way that a merger of Burlington Northern and Santa Fe could not.

14. Later that same day, representatives of Union Pacific met in Chicago with Mr. Krebs and counsel to Santa Fe to propose the merger of Union Pacific and Santa Fe. The Union Pacific proposal provided that each Santa Fe shareholder would receive .344 shares of Union Pacific stock, worth approximately $18.00 per Santa Fe share. This represented a premium of 38% over the then current market price of Santa Fe shares, and of 33% over the value which they would receive for their shares in the Burlington Northern transaction. Union Pacific's proposal was subject to the termination of the Original Merger Agreement in accordance with its terms.

Santa Fe Refuses Even To Consider
Union Pacific's Initial Proposal.

15. The response of Santa Fe's representatives to Union Pacific's initial proposal was instantaneous. Santa Fe's counsel, speaking on behalf of Mr. Krebs and himself, stated that (i) the Original Merger Agreement prohibited negotiations with Union Pacific; (ii) Union

Pacific could not obtain ICC approval for any combination with Santa Fe; and (iii) Santa Fe and Burlington Northern would bring suit for tortious interference against both Union Pacific and its Chief Executive Officer, personally, if Union Pacific's proposal was advanced.

16. Mr. Krebs' adamant, negative response was not surprising. In violation of his fiduciary duty of loyalty to Santa Fe and its stockholders, defendant Krebs primarily is promoting a merger with Burlington Northern out of selfinterest, because he stands to become the CEO of the combined Burlington Northern/Santa Fe enterprise.

17. Thus, without regard to the facts of Union Pacific's proposal, without an examination of their fiduciary duties under the circumstances, and apparently without prior review with the Santa Fe Board, Mr. Krebs and his counsel responded for Santa Fe by rejecting Union Pacific's initial proposal out of hand. This self-serving, uninformed, knee-jerk reaction constituted a breach of the fiduciary duties of care and loyalty. But this was only the beginning.

18. The Board then compounded Mr. Krebs' breaches of fiduciary duty the very next day. Despite the superior value offered by Union Pacific, and the complex issues before it, the Board hastily voted to

reject Union Pacific's initial proposal without seeking any communication with, or information from, Union Pacific. The Board did not even seriously consider the Union Pacific proposal, choosing instead to rely solely on (i) the advice of counsel that Santa Fe had no right to terminate the Original Merger Agreement, which advice was incorrect as a matter of Delaware law; and (ii) the self-serving "belief" of Mr. Krebs -- who will become the President and CEO of the combined Burlington Northern/Santa Fe enterprise if the BNI Merger is approved -- that the Union Pacific proposal would not get ICC approval and was intended to prevent consummation of the BNI Merger.

Burlington Northern Increases
Its Bid And Union Pacific Tops It.

19. On October 27, 1994, Burlington Northern and Santa Fe announced that they had amended the Original Merger Agreement (the "Amended Merger Agreement") to increase the consideration offered to Santa Fe shareholders from .27 shares to .34 shares of Burlington Northern stock for each Santa Fe share exchanged, representing a total value of $17.00 per Santa Fe share based on the closing price on October 27, 1994. Like the Original Merger Agreement, the Amended Merger Agreement did not

expressly permit termination based on the fiduciary duty of the directors of Santa Fe to secure and recommend to the stockholders of Santa Fe a better offer.

20. Three days later, Union Pacific topped Burlington Northern's increased offer. In an October 30, 1994 letter to Mr. Krebs, Union Pacific proposed to negotiate a tax-free merger in which Santa Fe shareholders would receive .407 Union Pacific shares for each Santa Fe share, a value of approximately $20 per Santa Fe share based on Union Pacific's October 28, 1994 closing price. The $20 per share proposal represented a 29% premium over the closing price of Santa Fe common stock on October 28, and a 16.2% premium over Burlington Northern's increased bid based on then current market prices. Union Pacific also offered to pay a portion of the proposed consideration in cash.

The Santa Fe Board Again Refuses
Even To Consider Union Pacific's Proposal.

21. The Santa Fe Board swiftly rejected Union Pacific's $20 per share proposal, again without bothering to consider it seriously. Instead, as Mr. Krebs' November 2, 1994 letter to Union Pacific indicates, the Santa Fe Board continued to rely solely on (i) Mr. Krebs' purported belief that a Santa Fe/Union Pacific combina-

tion "would not receive the required regulatory approval" and (ii) its counsel's advice that if Santa Fe met with Union Pacific to discuss Union Pacific's proposal, it would "run an unacceptable risk of breaching its agreement with [Burlington Northern]." The November 2 letter also repeated the Santa Fe Board's misleading promise that "if [Union Pacific] makes a proposal at a fair price and with an adequate provision for a voting trust that would substantially eliminate the regulatory risk for [Santa Fe] shareholders, the Board would consider the proposal in light of its fiduciary duties."

Union Pacific's Tender Offer.

22. Thereafter, on November 8, 1994, Union Pacific's board determined to force Santa Fe to "put its money where its mouth is." In a November 8, 1994 letter to Mr. Krebs, Union Pacific stated:

> You have repeatedly advised Union Pacific Corporation that if it "make[s] a proposal at a fair price and with an adequate provision for a voting trust that would substantially eliminate the regulatory risk for SFP shareholders," your Board "would consider that proposal in light of its fiduciary duties." We hereby submit just such a proposal.
>
> Using a voting trust, we propose acquiring all shares of Santa Fe Pacific Corporation's common stock in a two-step transaction. First, we would purchase approximately 57% of the shares outstanding on a fully diluted basis in a cash tender offer for $17.50 per share. We

would then acquire the remaining SFP shares in a merger in which your shareholders would receive, for each SFP share, a fraction of a UP common share having a value of $17.50, based on the closing price of UP common stock on November 8, 1994. The stock portion of the consideration represents a ratio of .354 of a UP share for each SFP share.

The value of our proposed transaction represents a premium of 17.6% over the closing price of SFP common stock on November 8, 1994. Based on today's closing prices, the price would also be superior to the value of the BN transaction that has been endorsed by your financial advisors as fair to your shareholders. As discussed below, our price represents a premium to that of the BN transaction, even without factoring in the uncertainty of Interstate Commerce Commission ("ICC") approval of the BN transaction and the delay in payment of the purchase price under that proposal.

Our proposed acquisition, unlike the BN transaction, would not be contingent upon receipt of ICC approval for the acquisition. At the time we consummate the tender offer and the merger, we would place the shares of SFP common stock purchased by us into a voting trust that would be independent of UP.

Our proposed structure would enable your shareholders to receive immediate payment of the entire purchase price in the tender offer and merger following satisfaction of the conditions to those transactions, without your shareholders bearing any risk relating to ICC approval of our combination with SFP. By contrast, the proposed BN transaction provides for a delay of up to several years in payment of any of the purchase price to SFP shareholders and requires your shareholders to bear the entire ICC risk.

When your shareholders discount BN's purchase price for the delay in payment and the ICC risk of non-consummation of the BN transac-

tion, the premium represented by our proposal is even greater.

On November 9, 1994, Union Pacific commenced the Tender Offer on the terms set forth in its November 8, 1994 letter to Mr. Krebs.

Santa Fe's Board Finally Acknowledges Its Fiduciary Duty To Negotiate With Union Pacific, But Adopts A Discriminatory Poison Pill.

23. Santa Fe initially responded to the Tender Offer by contriving yet another excuse to justify its refusal to negotiate. Santa Fe complained that the Tender Offer was subject to the condition that the staff of the ICC issue an opinion approving Union Pacific's use of a voting trust for Santa Fe shares. On November 28, 1994, however, this last obstacle crumbled as Union Pacific announced that it had received such approval from the ICC.

24. Santa Fe's Board met on the same day and, apparently in fear that its shareholders might be tempted to accept Union Pacific's clearly superior proposal (offering $4 or 30% more per share than the consideration to be provided by Burlington Northern in the Original Merger Agreement, which Santa Fe's financial advisors had declared to be fair to Santa Fe's shareholders), the Board acted to deprive its stockholders of the power to

accept the Tender Offer by adopting a "poison pill" rights plan (the "Poison Pill").

25. The Poison Pill, provides, among other things, that once a person, such as Union Pacific, acquires 10% or more of Santa Fe's common stock, Santa Fe shareholders would have the right to receive, upon exercise of the rights issued pursuant to the Poison Pill (the "Poison Pill Rights"), common stock (or, in certain circumstances, cash, property or other securities of Santa Fe) having a value equal to twice the exercise price of the Poison Pill Rights.

26. Pursuant to the terms of the Poison Pill, the Board retains the power to redeem the Poison Pill Rights for the cost of $.01 per Right and, by this mechanism, has arrogated to itself the power to decide whether or not its shareholders will have the ability to accept the benefits of Tender Offer.

27. Burlington Northern, however, as Santa Fe's favored merger partner, is expressly exempted from the disastrously dilutive effects of the Poison Pill.

28. The Poison Pill is designed to and has the effect of deterring any bid -- even a higher bid -- for Santa Fe except the one that the Santa Fe Board has already chosen, the merger with Burlington Northern. Use

of the Poison Pill against Union Pacific would cause massive dilution making it impossible for Union Pacific to consummate its tender offer. The Poison Pill was particularly designed to sabotage Union Pacific's tender offer and does not provide any benefit to Santa Fe's shareholders.

29. The Poison Pill has a coercive effect on Santa Fe's shareholders, inducing them to vote in favor of the merger between Santa Fe and Burlington Northern rather than risk tendering to Union Pacific, which, due to the Poison Pill, will be unable to purchase shares tendered to it.

Santa Fe Forecloses An Improved
Union Pacific Proposal By Refusing To
Adopt Fair And Equitable Bidding Procedures.

30. On the same day the Santa Fe Board adopted the Poison Pill, it was advised by its counsel that it had a fiduciary duty to provide information and to negotiate with Union Pacific. As a result of this advice, the Santa Fe Board authorized its management to meet with Union Pacific "in order to clarify and improve" Union Pacific's offer.

31. Over the next few weeks, representatives of Santa Fe held discussions with representatives of Union Pacific ostensibly to discuss a possible merger

agreement, and Union Pacific was given access to financial information relating to Santa Fe. Despite the fact that Union Pacific's proposal was at that point by far the best on the table, Santa Fe repeatedly told Union Pacific that its proposal was inadequate and that it should promptly improve its offer.

32. While disingenuously making these purported requests for an improved bid, Santa Fe flatly refused to create a level playing field for the acceptance and consideration of competing bids for the company. To protest this unfairness, on December 14, 1994, Mr. Lewis wrote to Mr. Krebs as follows:

> I am writing to advise you, as requested by your advisors, of our position concerning our merger proposal.
>
> Our response at this stage is a function of Santa Fe's having pursued a flawed sale process. Your advisors have repeatedly demanded that we improve our proposal while refusing to establish any procedures for considering competing proposals on a fair and equal basis. In fact, your advisors have frequently told us you will not negotiate with Union Pacific unless we agree to pay at least $20 per Santa Fe share. This position is clearly inconsistent with your negotiating and recommending several transactions with Burlington Northern at prices well below $20.
>
> We believe our current proposal is an extremely attractive one and in the best interests of Santa Fe and its shareholders and customers. Despite this, you have continued to pursue a process that favors any result other

> than a transaction with Union Pacific. We are prepared to continue discussions with you, but we urge you to establish an open sale process.

33. On December 16, 1994, Mr. Lewis again wrote to Mr. Krebs expressing his extreme disappointment with the "flawed and biased sale process" undertaken by Santa Fe. Mr. Lewis stated:

> Let me be very clear. By your actions you have put Santa Fe up for sale and Union Pacific is a very interested buyer. We want to acquire Santa Fe by competing on an equal basis with Burlington Northern and any other potential bidders. If Santa Fe establishes a fair and open process, we would be eager to participate, and would be willing to consider and discuss revisions to our proposal.

34. At the same time, Union Pacific's legal and financial advisors were expressing the same concerns to Santa Fe's advisors about the unfairness of the bidding process. In a conference call on December 17, 1994, Union Pacific's legal and financial advisors informed legal and financial advisors for Santa Fe that Union Pacific wanted to be in a position to make an improved proposal provided that Union Pacific be given an opportunity to bid for Santa Fe on a fair and equal basis with Burlington Northern. Union Pacific's advisors expressed the concern that Santa Fe had failed to establish a fair and unbiased sale process. In particular, Union Pacific's advisors objected to the fact that Santa Fe was

informing Burlington Northern about communications between Union Pacific and Santa Fe, including any revised acquisition proposal that Union Pacific might make. Santa Fe refused to accept the procedure recommended by Union Pacific and failed to adopt any alternative procedure for a fair sale.

35. The response of Mr. Krebs and his advisors -- astonishingly, after two months of an active, see-saw bidding war for purchase of the entire company -- was to deny in a series of letters that Santa Fe was "for sale," and to disavow any obligation to apply a fair and equitable process for accepting bids. But even these letters themselves belied the "not for sale" contention by imploring Mr. Lewis to "improve your proposal ... without delay."

36. Mr. Krebs' pronouncements that Santa Fe is not for sale are contradicted by Santa Fe's actions over the preceding several months. Never before had Santa Fe told its shareholders that it was not interested in engaging in a transaction with Union Pacific because the company was not "for sale" -- rather, Santa Fe had always asserted that the Original Merger Agreement precluded it from negotiating with Union Pacific, or that the Union

Pacific proposal was illusory, because the ICC would not approve such a merger.

37. In fact, Santa Fe told its shareholders that in rejecting Union Pacific's initial proposal, the Santa Fe board concluded that "if the Original Merger Agreement were terminated and if the UPC proposal could not be consummated, SFP would be left without a strategic combination which is required to protect and enhance shareholder value." In other words, Santa Fe told its shareholders that one of the key reasons for its refusal to negotiate with Union Pacific was its supposed fear that such negotiations might lead to an inability to sell the company at all. Santa Fe's later protestation that the company is "not for sale" is flatly inconsistent with both its expressed imperative to find a "strategic combination ... to protect and enhance shareholder value" and its acknowledgement following November 28, 1994 that the Santa Fe Board had a fiduciary duty to provide information to and negotiate with Union Pacific with respect to Union Pacific's tender offer and merger proposal.

Santa Fe Tries To Shut Down
The Bidding By Entering Into A Revised
Merger Agreement With Burlington Northern.

38. On December 18, 1994, in the face of Union Pacific's repeatedly expressed willingness to consider

improving its proposal if fair bidding procedures were implemented, Santa Fe approved another revised merger agreement with Burlington Northern (the "Merger Agreement"). The Merger Agreement provides for a two step acquisition of Santa Fe by Burlington Northern, with the first step to be paid for mostly by Santa Fe itself. Despite the Santa Fe Board's breaches of fiduciary duty in failing to adopt procedures that would permit Union Pacific to participate fairly in the bidding process, the Board also approved new "termination fee" and "expense reimbursement" provisions, which, for the first time, promised Burlington Northern a payment of $60 million if it lost the competition.

39. First, Santa Fe and Burlington Northern have jointly offered to purchase 63 million shares, or approximately 33% of Santa Fe's outstanding stock for $20 per share. Of this, 38 million shares, or 20% of Santa Fe's stock is to be repurchased by Santa Fe, while 13% will be purchased by Burlington Northern. As a result of this first step, Burlington Northern will own approximately 16% of the remaining outstanding shares of Santa Fe.

40. At the earliest by mid-1996 and contingent upon ICC approval of a merger of Santa Fe and Burlington

Northern, the remaining shares of Santa Fe stock would each be exchanged for .4 shares of Burlington Northern stock, with a market value of $ 21.05 based on the closing price on January 17, 1995. Because most of Santa Fe's shares will not be purchased as part of the Merger Agreement unless the merger is approved by the ICC, Santa Fe's shareholders bear the risk of disapproval. By contrast, because of the voting trust Union Pacific already has in place, Santa Fe's shareholders would bear none of the risk of ICC disapproval of a merger between Santa Fe and Union Pacific.

41. As part of the Merger Agreement, Santa Fe has agreed to pay a break up fee of $50 million and a maximum $10 million in expense reimbursement in the event that the Merger Agreement is terminated for any number of reasons, including a failure of the Santa Fe stockholders to approve the Merger Agreement. Incredibly, even if it is the Burlington Northern shareholders, not the Santa Fe shareholders, who disapprove the Merger Agreement, Burlington Northern appears still to have the right to terminate the Merger Agreement and collect its $60 million.

42. Santa Fe must pay the break up fee if anyone other than Burlington Northern acquires 50% or

more of Santa Fe common stock. Santa Fe must also pay the break up fee if the Santa Fe Board cannot, in the exercise of its fiduciary duties, recommend the merger with Burlington Northern, if Santa Fe or Burlington Northern shareholders reject the Merger Agreement or even if the Santa Fe/Burlington Northern tender offer is terminated.

43. The Santa Fe Board agreed to the $60 million in termination fee and expense reimbursement payments in part to secure Burlington Northern's agreement to the inclusion in the Merger Agreement of a new Section 10.1(xii) which, for the first time, gives the Board the right to terminate the Merger Agreement in order to accept another takeover proposal. The Board's approval of the Original Merger Agreement without such a clause was in breach of its fiduciary duties of care and loyalty and threatened the Director Defendants with personal liability.

44. Immediately after the terms of this new Merger Agreement were announced, an unidentified Burlington Northern representative, who would speak only on the condition of anonymity, was quoted in the press as stating: "This is a carefully crafted plan designed to

accomplish the merger and to make it prohibitively expensive for UP to top."

Union Pacific Again Responds
With A Superior Tender Offer.

45. On January 17, 1995, Union Pacific announced a revised tender offer for all shares of Santa Fe stock. Union Pacific is offering to purchase all shares of Santa Fe stock for $18.50 per share, with the tendered shares to be placed in the voting trust pending ICC approval of a merger between Union Pacific and Santa Fe. This proposal is significantly superior to the Merger Agreement because, among other things, it allows Santa Fe's stockholders to sell all of their shares for cash at a premium, and without any delay or risk resulting from the regulatory process.

46. Union Pacific also announced that if the Merger Agreement is not approved by Santa Fe's shareholders and the Santa Fe Board, nevertheless, continues to refuse to negotiate a merger agreement with Union Pacific, Union Pacific would purchase shares in the tender offer without a merger agreement provided that Santa Fe shareholders tender at least 90 percent of Santa Fe's outstanding shares. Union Pacific would then acquire the remainder of the shares of Santa Fe stock by

means of a "short form" merger pursuant to 8 Del. C. Section 253. In order to proceed on such a unilateral basis, Union Pacific would first ask the ICC to approve an amendment to the voting trust agreement that would enable the trustee to cause Santa Fe, following the acquisition of Santa Fe shares by Union Pacific, to cooperate with Union Pacific in obtaining ICC approval of a Santa Fe/Union Pacific combination.

47. The revised Union Pacific tender offer is conditioned, among other things, on the termination of the Merger Agreement in accordance with its terms, Santa Fe stockholders not having approved the Merger Agreement with Burlington Northern, and the redemption of the Poison Pill by the Santa Fe Board or its modification or invalidation so as to render it inapplicable to the acquisition of shares pursuant to the Union Pacific tender offer and merger proposal.

SANTA FE'S POISON PILL THREATENS TO COERCE
ITS SHAREHOLDERS INTO VOTING FOR THE INFERIOR
BURLINGTON NORTHERN MERGER AGREEMENT

48. The adoption of the discriminatory Poison Pill by Santa Fe's Board threatens to coerce Santa Fe's stockholders into accepting the inferior Merger Agreement with Burlington Northern. The stockholders will know that, with the pill in place, the Board has the power to

carry out its threats to remain independent and deny the shareholders any premium rather than merge with Union Pacific. Rather than risk losing a premium, Santa Fe's shareholders will be coerced to vote for the inferior Merger Agreement.

49. As long as the Poison Pill remains in place and the Santa Fe Board continues to claim that the company is not for sale, this coercion will make any shareholder vote approving the Merger Agreement invalid.

THE FIRST STEP OF THE PROPOSED MERGER AGREEMENT
THREATENS TO IRREPARABLY HARM SANTA FE'S
SHAREHOLDERS BY AN IRREVERSIBLE RESTRUCTURING

50. The first step of the proposed Merger Agreement would involve the purchase of 33% of the outstanding stock of Santa Fe by Santa Fe and Burlington Northern, in exchange for cash. This tender offer is contingent upon approval of the Merger Agreement by Santa Fe's stockholders.

51. If the shareholders vote to approve the Merger Agreement and the tendered shares are taken down, $760 million will have been distributed from Santa Fe to thousands of shareholders, many, if not most of whom would be beyond the jurisdiction of this Court. Even if the shareholders' approval is later found to have been invalidly obtained and coerced by the presence of the

poison pill and the Santa Fe Board's breaches of fiduciary duty, that transaction could never be undone.

COUNT I

(Breach of Fiduciary Duties of
Loyalty and Care by the Director Defendants)

52. Plaintiffs repeat and reallege each of the preceding paragraphs as if fully set forth here.

53. By virtue of their positions as directors of Santa Fe, the Director Defendants owe fiduciary duties to Santa Fe and its shareholders, and as a consequence, owed it and them the highest duty of good faith and loyalty. That duty includes but is not limited to the obligation to consider and fairly evaluate all offers for Santa Fe, the obligation to act reasonably to seek the transaction offering the best value reasonably available to the stockholders in a sale of the company, and the obligation not to put self-interests and personal considerations of directors ahead of the interests of Santa Fe's stockholders. The Director Defendants are also obligated to conduct the affairs of Santa Fe with due care.

54. The refusal of the Director Defendants to implement fair and equal procedures for the acceptance and consideration of competing bids for purchase of the company and instead to follow a process known to prevent

or discourage Union Pacific from improving its proposal, even though Santa Fe had been advised repeatedly that Union Pacific was prepared to make an improved bid, was lacking in good faith, could not have been the product of a reasonable inquiry and investigation, and unreasonably precludes a transaction offering superior value to Santa Fe shareholders.

55. The Director Defendants have breached and are threatening further to breach their fiduciary duties to Santa Fe and its shareholders by refusing to negotiate with Union Pacific on a fair and equal basis regarding its tender offer and merger proposal, which would provide significantly higher value to Santa Fe's stockholders.

56. The Director Defendants have further breached their fiduciary duties by purposefully engaging in a course of conduct intended to coerce Santa Fe shareholders to vote in favor of the Santa Fe Board's preferred transaction with Burlington Northern despite the superiority of the Union Pacific tender offer and merger proposal. This course of conduct encompasses, inter alia, (1) the Director Defendants' refusal to establish a fair and equal process for the consideration of competing proposals to acquire Santa Fe, (2) the Director Defendants' implementation of a poison pill rights plan

to prevent Santa Fe shareholders from receiving the benefit of Union Pacific's superior tender offer and merger proposal, (3) the Director Defendants' approval of a "bust up" fee and expense reimbursement provision designed to favor the Burlington Northern proposal, and (4) the Director Defendants' public expression of the implausible and contradictory view that Santa Fe is not "for sale," despite the protracted bidding contest to acquire Santa Fe, the Director Defendants' acknowledgement that their fiduciary duties require them to negotiate with Union Pacific, and the Director Defendants' approval of a "bust up" fee, which would only be justifiable in the context of a fair and equitable sale process.

57. Unless enjoined by this Court, the Director Defendants will continue to breach their fiduciary duties to the detriment of Santa Fe and its shareholders and Union Pacific.

58. Plaintiffs have no adequate remedy at law.

COUNT II
(Breach of Fiduciary Duties of Loyalty and Care
by the Director Defendants)

59. Plaintiffs repeat and reallege each of the preceding paragraphs as if fully set forth here.

60. By virtue of their positions as directors of Santa Fe, the Director Defendants owe a fiduciary duty to the shareholders of Santa Fe, which includes a duty not to take unreasonable defensive measures which are not proportional to a threat posed to Santa Fe.

61. The Director Defendants have breached their fiduciary duties of loyalty and care by adopting the Poison Pill, and are now threatening to employ their Poison Pill to coerce the shareholders of Santa Fe into voting to approve the inferior Merger Agreement and to prevent Santa Fe shareholders from accepting the superior benefits of the Union Pacific tender offer and merger proposal.

62. Unless enjoined, the Director Defendants will continue improperly to employ the Poison Pill and pursue the Merger Agreement with Burlington Northern in breach of their fiduciary duties of loyalty and care.

63. Plaintiffs have no adequate remedy at law.

COUNT III

(Breach of Fiduciary Duties of Loyalty
and Care by the Director Defendants)

64. Plaintiffs repeat and reallege each of the preceding paragraphs as if fully set forth here.

65. By virtue of their positions as directors of Santa Fe, the Director Defendants owe a fiduciary duty to the shareholders of Santa Fe, which includes a duty not to take unreasonable defensive measures which are not proportional to a threat posed by Santa Fe.

66. The Director Defendants have breached their fiduciary duties of loyalty and care by approving an excessive break up fee and expense reimbursement payments which must be paid to Burlington Northern if the Board's favored proposal is not consummated. These payment provisions were approved to relieve the Director Defendants of potential personal liability for having first approved the Original Merger Agreement and the Amended Merger Agreement without the inclusion in it of necessary and appropriate termination provisions permitting them to fulfill their fiduciary duties under Delaware law. The Director Defendants also breached their duties by agreeing to spend $760 million of Santa Fe's money in the joint tender offer with Burlington Northern, the purpose of which is to make more likely the accomplishment of the Board's favored deal with Burlington Northern, while depriving the Santa Fe shareholders of the opportunity to consider or accept Union Pacific's superior proposal.

67. Unless enjoined, the Director Defendants will pursue the Merger Agreement with Burlington Northern in breach of their fiduciary duties of loyalty and care.

68. Plaintiffs have no adequate remedy at law.

COUNT IV

(Aiding and Abetting the Santa Fe Board's Breach of Fiduciary Duties of Loyalty and Care Against Burlington Northern)

69. Plaintiffs repeat and reallege each of the preceding paragraphs as if fully set forth here.

70. By agreeing to pay excessive termination fee and expense reimbursement payments of $60 million to Burlington Northern in exchange for a right to exercise its fiduciary duties to terminate the Merger Agreement in the event of a superior offer or in the event of stockholder rejection of the Merger Agreement, the Santa Fe Board has breached its fiduciary duties of loyalty and care.

71. Burlington Northern knowingly participated in the Board's breach of its fiduciary duties by insisting on the provision for these improper payments in the Merger Agreement.

72. Unless enjoined, Burlington Northern will continue to aid and abet the Board's breaches of its fiduciary duties of loyalty and care.

73. Plaintiffs have no adequate remedy at law.

COUNT V
(Declaratory Relief Against
Burlington Northern and Santa Fe)

74. Union Pacific repeats and realleges each of the preceding paragraphs as if fully set forth here.

75. The validity and propriety of Union Pacific's actions affects the rights and legal relations of Union Pacific, Burlington Northern and Santa Fe, and the parties' interests are real and adverse.

76. Union Pacific has a legitimate interest in prompt resolution of the validity and propriety of its actions and will suffer unnecessary hardship from delay.

77. Union Pacific's actions in proposing a tender offer and merger with Santa Fe were entirely justified because they were based on demonstrable benefits of the merger proposal for Union Pacific, Santa Fe, and the nation's railroad system.

78. Union Pacific's actions did not induce a breach of the Original Merger Agreement and the Amended Merger Agreement by Santa Fe and cannot induce a breach of the Merger Agreement because Union Pacific's tender offer and merger proposal is subject to termination of such agreements in accordance with their terms, and be-

cause neither the Original Merger Agreement nor the Amended Merger Agreement was breached by Santa Fe.

79. Accordingly, pursuant to 10 Del. C. Section 6501, Union Pacific is entitled to a declaration that its actions in preparing and proposing a tender offer and merger with Santa Fe have not tortiously interfered with the contractual or other legal rights of Burlington Northern and Santa Fe.

WHEREFORE, plaintiffs pray for judgment as follows:

(a) Mandatorily enjoining Santa Fe to adopt fair and equitable procedures for the acceptance and consideration of competing bids for the company;

(b) Enjoining the operation of the Santa Fe Poison Pill Rights or, alternatively, enjoining the Santa Fe Board to redeem such poison pill rights or otherwise to render them inapplicable or unenforceable to the Union Pacific tender offer and merger proposal;

(c) Declaring that the termination fee and expense reimbursement payments of $60 million are invalid and unenforceable;

(d) Enjoining Burlington Northern from aiding and abetting the Santa Fe Board's breaches of its fiduciary duties of loyalty and care;

(e) Declaring that Union Pacific has not tortiously interfered with the contractual or other legal rights of the defendants;

(f) Enjoining the defendants from instituting, continuing or maintaining any action in any other jurisdiction alleging, in whole or in part, that Union Pacific has tortiously interfered with the contractual or other legal rights of the defendants;

(g) Granting plaintiffs the costs of this action, including reasonable attorneys' fees;

(h) Awarding such further relief and declaration of the rights and legal relations of the parties to this action as the Court may deem appropriate.

Stephen P. Lamb
SKADDEN, ARPS, SLATE,
MEAGHER & FLOM
One Rodney Square
P.O. Box 636
Wilmington, DE 19899
(302) 651-3000

David J. Margules
KLEHR, HARRISON, HARVEY,
BRANZBURG & ELLERS
222 Delaware Avenue
Suite 1101
Wilmington, DE 19801
(302) 426-1189

Attorneys for Plaintiffs

Dated: January 18, 1995