

KORALESKI JOHN J
Form 4
December 27, 2005

FORM 4

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

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
KORALESKI JOHN J

2. Issuer Name and Ticker or Trading Symbol
UNION PACIFIC CORP [UNP]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
1400 DOUGLAS STREET

3. Date of Earliest Transaction (Month/Day/Year)
12/23/2005

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)

EVP MKTG & SALES

(Street)
OMAHA, NE 68179

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

(City) (State) (Zip)

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Indirect Beneficial Ownership (Instr. 4) | | | |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|------------|---|--------------------|
| | | | Code | V | Amount | (A) or (D) | Price | | | |
| Common Stock | 12/23/2005 | | M | | 35,457 | A | \$ 66.24 | 155,867 | D | |
| Common Stock | 12/23/2005 | | F | | 29,226 | D | \$ 80.36 | 126,641 | D | |
| Common Stock | 12/23/2005 | | F | | 2,730 | D | \$ 80.36 | 123,911 | D | |
| Common Stock ⁽¹⁾ | | | | | | | | 1,496.5592 | I | by Managed Account |
| Common Stock ⁽²⁾ | | | | | | | | 4,004 | I | by Partnership |

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Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

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(9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Underlying (Instr. 3 and 4) | | | |
|---|--|--------------------------------------|--|--------------------------------|---|--|--|------------------|-----------------|--------------|
| | | | | Code | V | (A) | (D) | Date Exercisable | Expiration Date | Title |
| Non-Qualified Stock Option (right to buy) | \$ 66.24 | 12/23/2005 | | M | | 35,457 | | 01/04/2005 | 01/30/2013 | Common Stock |
| Non-Qualified Stock Option (right to buy) <u>(3)</u> | \$ 80.52 | 12/23/2005 | | A | | 31,956 | | 12/23/2005 | 01/30/2013 | Common Stock |

Reporting Owners

| Reporting Owner Name / Address | Relationships |
|--|---|
| | Director 10% Owner Officer Other |
| KORALESKI JOHN J 1400 DOUGLAS STREET OMAHA, NE 68179 | EVP MKTG & SALES |

Signatures

By: Michael M. Hemenway, Attorney-in-Fact For: John J. Koraleski 12/27/2005

**Signature of Reporting Person Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, see Instruction 4(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) Includes holdings in Union Pacific's Payroll-based and Tax-reduction stock ownership plans and 401(k) plan as of Transaction Date. Represents shares held in the Koraleski Family Limited Partnership (FLP), of which the reporting person and his wife are the sole general partners and the reporting person, his wife, and his children are the sole limited partners. The reporting person disclaims beneficial ownership of these securities except to the extent of his pecuniary interest therein.
- (3)

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Option granted pursuant to an agreement with a reload feature, which provides for a reload option grant if, at the time of exercise, the exercise price for a stock-for-stock exercise is twenty percent (20%) or greater than the option price of the original option on the grant date.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.