

With the purchase of the Colony Line from the Union Pacific Railroad, the Dakota, Minnesota & Eastern (DM&E) now operates 585.9 miles of their own tracks and has operating rights on 74 miles of state-owned track and 56.6 miles of track owned by the BNSF. The following table is a line by line listing of the track operated by the DM&E.

DM&E Owned Track

| From | To | Total Miles | SD Miles |
|----------------|----------------|-------------|----------|
| Tracy, MN | Wolsey, SD | 149.7 | 104.5 |
| Redfield, SD | Mansfield, SD | 26.3 | 26.3 |
| Blunt, SD | Onida, SD | 16.2 | 16.2 |
| Huron, SD | Yale, SD | 13.3 | 13.3 |
| Colony, WY | Dakota Jct, NE | 174.7 | 152.7 |
| Wolsey, SD | Ft. Pierre, SD | 108.3 | 108.3 |
| Ft. Pierre, SD | Rapid City, SD | 164.6 | 164.6 |
| Total | | 653.1 | 585.9 |

DM&E Trackage Rights on South Dakota Owned Track

| From | To | Total Miles | SD Miles |
|------------|--------------|-------------|----------|
| Wolsey, SD | Aberdeen, SD | 74.0 | 74.0 |
| Total | | 74.0 | 74.0 |

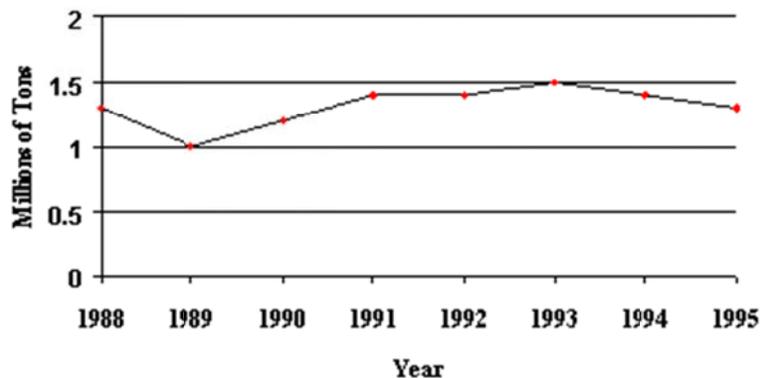
DM&E Trackage Rights on BNSF Owned Track

| From | To | Total Miles | SD Miles |
|----------|---------------|-------------|----------|
| Yale, SD | Watertown, SD | 56.6 | 56.6 |
| Total | | 56.6 | 56.6 |

Total DM&E Operations= 783.7 miles, with 716.5 in South Dakota.

The DM&E operates the only east-west rail corridor across South Dakota. The traffic on the DM&E has remained stable over the last seven years.

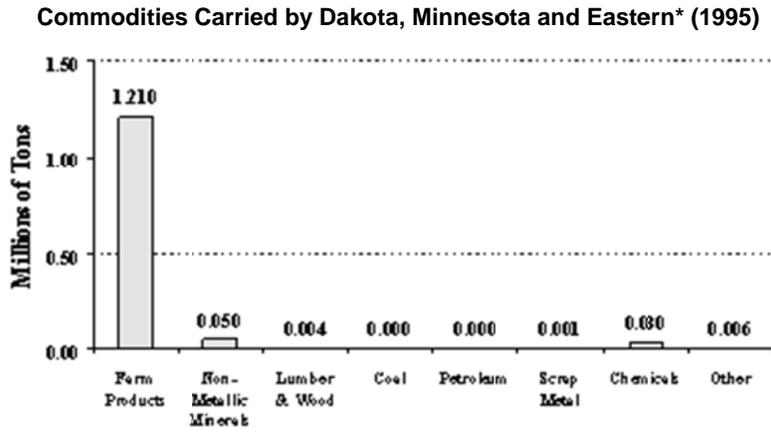
Dakota, Minnesota and Eastern Railroad Total Commodities Shipped* (1988-1995)



*Originating and Terminating Traffic to South Dakota Stations

The DM&E carries a large amount of overhead traffic consisting of bentonite, cement, and wood chips generated on the Colony Line. The transfer of ownership of the Colony Line from the Union Pacific to the DM&E which occurred in May 1995 will significantly increase the traffic generated by the DM&E in South Dakota. Grain is the major commodity

generated along the DM&E line, as is shown in the following chart.



*Originating and Terminating Traffic to South Dakota Stations