



Wexpro Company

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August 24, 2005

David Evans
Evans Consulting Company
2002 Cimarron Court
Mission, Texas 78572-7432

Dear David:

In accordance with the August, 2004 Wexpro Agreement Guideline Letter "regarding assignment of marginal intervals to Wexpro to facilitate Development Gas Drilling under terms of the Wexpro Agreement", Wexpro requests the Hydrocarbon Monitor approval of a proposed assignment of interest in the Bear River formation in the Dry Piney Unit 35 and 32 wells. Because of the high allocated cost, lack of "bailout" opportunity and perceived risk for the Bear River, QEP desires to assign its ownership in the Bear River Fm. in this well to Wexpro. Additionally, although Exxon-Mobil has agreed to participate in these wells, EOG has elected to go non-consent on these wells. Therefore we need to also request approval to pick up a proportional share of the EOG non-consent interest which is also in accordance with the above named guideline letter.

The Dry piney 35 well will serve as an example to illustrate the situation regarding the QEP assignment. QEP has a 6.56209% ownership in the Frontier Fm. in the Dry Piney 35 well and a 43.76286% ownership in the Bear River Fm. This means that according to COPAS footage basis cost allocation guidelines QEP will have to pay a high cost to drill the Bear River Fm., the higher risk of the two formations. This cost will be significantly greater than just the incremental cost of drilling and completing the Bear River Formation.

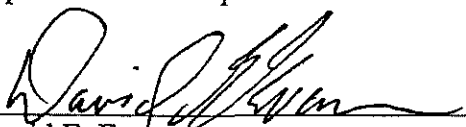
QEP 00

By assigning to Wexpro QEP will retain a 7% ORRI and since Wexpro will then have better balanced ownership in both formations, its costs will more closely reflect an incremental cost of drilling and completing the Bear River Formation. Because it is Wexpro's intent to produce the Bear River and Frontier formations commingled, pending governmental approval, Wexpro proposes, as has been done in other fields (Church Buttes, Island, Pinedale, and West Hiawatha) that if production from all combined zones in the well bore (including transferred interests from QEP) is sufficient to meet the Wexpro Agreement commerciality test, then Wexpro will be entitled to earn on its entire investment in the well (whole well method). A similar situation exists at Dry Piney 32.

The value of this assignment of QEP interest to Wexpro, beyond gaining potential reserves in this well, is that it will potentially have lower cost of drilling the Frontier Fm. in future wells if this well is successful in the Bear River. If it is marginally successful based on the COPAS cost allocation standards, it may still make sense for Wexpro to continue to take additional future assignments of the Bear River Fm. from QEP if there is sufficient reserves to justify the incremental drilling cost. Ownership, before and after the assignment, is shown on the attached Exhibit 1. A similar situation exists at Dry Piney 32 and this approval request is for both the Dry Piney Unit 35 and 32 wells. Any additional future similar assignments will require additional approval after appropriate review.

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I agree with the request of Wexpro to take assignment of the QEP interest in the Bear River Fm. in Dry Piney Unit 35 and 32 in accordance with the August, 2004 Guideline Letter and recommend approval of this request. Additionally, I agree with the request of Wexpro to take its proportionate share of the EOG non-consent interest and recommend approval of this request.



David E. Evans,
President Evans Consulting Co.

August 31, 2005
Date

Dry Piney 32

Frontier Costs	Original		Non-Consent	
Wexpro	35.129880%	376,290	59.28403%	635,015
EOG Resources	40.743090%	436,416	0.00000%	0
ExxonMobil	17.564940%	188,145	29.64201%	317,507
QEP	6.562090%	70,289	11.07396%	118,618
	<u>100.000000%</u>	<u>1,071,140</u>	<u>100.000000%</u>	<u>1,071,140</u>

Bear River Costs	Original		Non-Consent	
Wexpro	50.000000%	597,341	66.66667%	796,455
EOG Resources	25.000000%	298,671	0.00000%	0
ExxonMobil	25.000000%	298,671	33.33333%	398,228
	<u>100.000000%</u>	<u>1,194,683</u>	<u>100.000000%</u>	<u>1,194,683</u>

Summary

Wexpro	973,631	1,431,470
EOG Resources	735,087	0
ExxonMobil	486,816	715,735
QEP	70,289	118,618
	<u>2,265,823</u>	<u>2,265,823</u>

Dry Piney 35

Frontier Costs	Original		Non-Consent	
Wexpro	35.129880%	375,260	59.28403%	633,277
EOG Resources	40.743090%	435,221	0.00000%	0
ExxonMobil	17.564940%	187,630	29.64201%	316,638
QEP	6.562090%	70,097	11.07396%	118,293
	<u>100.000000%</u>	<u>1,068,208</u>	<u>100.000000%</u>	<u>1,068,208</u>

Bear River Costs	Original		Non-Consent	
Wexpro	0.000000%	0	66.66667%	784,399
QEP	43.763837%	514,924	0.00000%	0
EOG Resources	34.354245%	404,211	0.00000%	0
ExxonMobil	21.881918%	257,462	33.33333%	392,199
	<u>100.000000%</u>	<u>1,176,597</u>	<u>100.000000%</u>	<u>1,176,598</u>

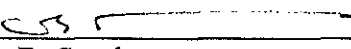
Summary

Wexpro	375,260	1,417,676
EOG Resources	839,432	0
ExxonMobil	445,092	708,837
QEP	585,021	118,293
	<u>2,244,805</u>	<u>2,244,806</u>

Ratification of Hydrocarbon Monitor approval letter of August 24, 2005 regarding the assignment of interest in the Bear River formation in Dry Piney Unit 35 and 32 wells pursuant to the guideline letter dated August 9, 2004 regarding the assignment of marginal interests to Wexpro.

Questar Exploration and Production Company (Questar E&P) ratifies the foregoing Guideline Letter and hereby relinquishes to Wexpro all of its right, title and interest to the wells drilled by Wexpro and production from formations pursuant hereto, such wells being classified as Development Gas Wells under the Wexpro Agreement, for the delivery of cost of service gas to Questar Gas Company, reserving unto Questar E&P a proportionate 7% of 8/8ths overriding royalty interest on all oil, gas and other hydrocarbons produced from the relinquished interest (the same overriding royalty Questar Gas would have received had Questar E&P retained the working interest).

Questar Exploration and Production Company

By: 
C. B. Stanley
President & CEO