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10 July 2010

David Evans  
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Re: QEP Assignment of Bruff Unit 48 Marginal Well Interest to Wexpro

In accordance with the August 9, 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's approval of a proposed assignment of Questar Exploration and Production Company's (QEP) interest in the Dakota Formation in the Bruff Unit 48 well to Wexpro. Because of the high allocated drilling and completion costs, lack of "bailout" opportunity and perceived risk for the Dakota Formation, QEP desires to relinquish and quitclaim its rights in the Dakota Formation in this well to Wexpro for development under the terms of the Wexpro Agreement.

Currently Wexpro owns approximately 59.2593% working interest in the Frontier Formation and a 0.0% working interest in the Dakota Formation. QEP currently owns 59.25926% of the Dakota and has 0.0% working interest in the Frontier Formation. Upon the transfer of QEP's ownership in the Dakota Formation to Wexpro, Wexpro will own approximately 59.25926% in both the Frontier Formation and the Dakota Formation. Other partners in this well (Kerr-McGee Oil and Gas Onshore LP and Anadarko Production Company) have elected to pick up their share of drilling and completion costs for both the Frontier and Dakota Formations. In transferring these rights to Wexpro, QEP will retain a 7% ORRI on the interest transferred to Wexpro in the Dakota Formation. 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 under §I-20, then Wexpro will be entitled to earn on its entire investment in the well ("whole well method"). Total well cost is currently estimated to be approximately \$2.136 million for this well with Wexpro's net investment being approximately \$1.210 million.

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I agree with the request of Wexpro to take assignment of the QEP interest (subject to QEP reserving a 7% ORRI) in the Dakota Formation in the Bruff Unit 48 well in accordance with the August 9, 2004 Guideline Letter and recommend approval of this request.

  
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David E. Evans  
President, Evans Consulting Company

July 22, 2010  
Date