

**QUESTAR**

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Wexpro Company  
150 East 100 South  
P.O. Box 45801  
Salt Lake City, UT 84145-0801  
Tel 801 324 2600  
Fax 801 324 2637

April 27, 1999

Darrell S. Hanson  
Utah Division of Public Utilities  
Heber M. Wells Building  
160 East 300 South  
P.O. Box 45802  
Salt Lake City, Utah 84145

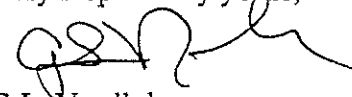
RE: I-47 Product Allocation Ratio

Dear Mr. Hanson:

The Utah Division of Public Utilities (Division) as well as Wexpro have recently had discussions regarding the intent of Paragraph I-47 in the Wexpro Agreement (Agreement). As a result of these discussions the Division and Wexpro have agreed to the following methodology effective January 1, 1999 forward. The parties further agree that the methodology used prior to January 1, 1999 will not be subject to change. It is proposed that effective January 1, 1999 Wexpro will calculate a new equivalent ratio to be used for that year. This ratio will be determined by dividing the actual weighted average price per barrel received for oil, condensate and natural gas liquids for the twelve financial months ending December 31<sup>st</sup> of the previous year by the weighted average wellhead royalty valuation per Mcf of gas produced by Wexpro in the twelve financial months ended December 31<sup>st</sup> of the previous year. This ratio will then be recalculated each subsequent year in the same manner (see Attachment "A" for the 1999 Product Allocation calculation based on 12-31-98 data). The calculation will be subject to verification by the Accounting Monitor as part of its annual review of Wexpro's compliance with the terms of the Agreement.

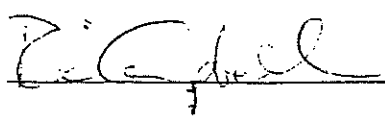
Please indicate your approval of the proposed guidelines in the signature area.

Very respectfully yours,



G.L. Nordloh  
President and CEO

Approved:  
Utah Division of Public Utilities

By: 

Date: 5-14-99

1999 Product Allocation Ratio  
Based on 12-31-98 Results

- 1/ Weighted average oil, condensate and natural gas liquid price received by Wexpro for twelve months ended 12-31-98 \$12.64
  
- 2/ Weighted average price used for royalty wellhead gas valuation per Mcf for twelve months ended 12-31-98 \$2.06

$\$12.64 / \$2.06 = 6.14$

Round to 6.1 to 1 Equivalent Ratio

- 
- 1/ From year end Wexpro financial statements page containing operating statistics for the total average liquid price. (See page 2 of Attachment A)
  
  - 2/ Represents Wexpro/Questar Gas net working interest volumes and royalty value reflected in the 410.210, 410.220 and 410.230 general ledger accounts plus any clearing well eliminations associated with the above accounts for the 12 months ended 12-31-98. (See Note below)

Net working interest volume per month x royalty price per month	=	\$76,176,759	=	\$2.06
Net working interest volume		36,986,602		

Note:

	Value	Volume (MCF)
Net Working Interest (Accounts 410.210 - 410.230) (See pages 3 - 4 of Attachment A)	\$100,250	29,742
Clearing Well Eliminations (See pages 5 - 6 of Attachment A)	\$76,076,509	36,956,860
	\$76,176,759	36,986,602

WEXPRO COMPANY  
OPERATING STATISTICS  
December 1998 vs December 1997

Current Month		Increase (Decrease)	Percent
1998	1997		
\$384,056	\$714,571	(\$330,515)	-46%
40,441	30,259	10,182	34%
\$9.50	\$23.62	(\$14.12)	-60%
\$138,740	(\$40,305)	\$187,045	387%
16,415	(1,611)	18,026	1119%
\$0.45	\$29.98	(\$21.53)	-72%
\$522,796	\$666,266	(\$143,470)	-22%
56,856	28,648	28,208	98%
\$9.20	\$23.26	(\$14.06)	-60%

OPERATING STATISTICS

OIL  
Revenue  
Production  
Price

NGL  
Revenue  
Production  
Price

TOTAL LIQUIDS

Revenue  
Production  
Price

Year to Date		Increase (Decrease)	Percent
1998	1997		
\$6,207,325	\$9,403,187	(\$3,195,862)	-34%
459,305	443,659	15,646	4%
\$13.51	\$21.19	(\$7.68)	-36%
\$803,188	\$2,068,808	(\$1,265,620)	-61%
95,282	118,874	(21,592)	-18%
\$8.43	\$17.70	(\$9.27)	-52%
\$7,010,513	\$11,471,995	(\$4,461,482)	-39%
554,587	560,533	(5,946)	-1%
\$12.64	\$20.47	(\$7.83)	-38%

NET WORKING INTEREST YEAR END BALANCE WORKSHEET

Attachment A  
Page 3 of 6

RIOD	POSTED	TX	JRL			COST									
DATE	TYP	SRC	VOUCHER	PROPERTY	CENTER	DESCRIPTION	DEBIT	CREDIT	BALANCE						
.410.210						TRANSACTION HISTORY FILE									
/98 01/04/99	AA	RV	12-RV-19	242109	242109	BRADY UNIT - SEPT 1998 - GA	13,122.89								
/98 01/04/99	AA	RV	12-RV-19	242409	242409	BRADY UNIT - SEPT 1998 - GA	3,486.79								
/98 01/04/99	AA	RV	12-RV-19	415933	415933	BRADY UNIT - SEPT 1998 - GA	73,083.35								
/98 01/04/99	AA	RV	12-RV-19	437433	437433	BRADY UNIT - SEPT 1998 - GA	67,399.33								
/98 01/04/99	AA	RV	12-RV-19	710001	710001	BRADY UNIT - SEPT 1998 - GA		461,138.38-							
/98 01/04/99	AA	RV	12-RV-20	239602	239602	BRADY UNIT - NOV 98 GAS EST		10,288.75-							
/98 01/04/99	AA	RV	12-RV-20	239902	239902	BRADY UNIT - NOV 98 GAS EST		16,656.95-							
/98 01/04/99	AA	RV	12-RV-20	240033	240033	BRADY UNIT - NOV 98 GAS EST		100,637.84-							
/98 01/04/99	AA	RV	12-RV-20	240312	240312	BRADY UNIT - NOV 98 GAS EST		162,819.00-							
/98 01/04/99	AA	RV	12-RV-20	240333	240333	BRADY UNIT - NOV 98 GAS EST		14,209.30-							
/98 01/04/99	AA	RV	12-RV-20	240509	240509	BRADY UNIT - NOV 98 GAS EST		5,703.77-							
/98 01/04/99	AA	RV	12-RV-20	240702	240702	BRADY UNIT - NOV 98 GAS EST		1,473.54-							
/98 01/04/99	AA	RV	12-RV-20	240802	240802	BRADY UNIT - NOV 98 GAS EST		9,261.33-							
/98 01/04/99	AA	RV	12-RV-20	241309	241309	BRADY UNIT - NOV 98 GAS EST		3,996.07-							
/98 01/04/99	AA	RV	12-RV-20	241409	241409	BRADY UNIT - NOV 98 GAS EST		118,701.70-							
/98 01/04/99	AA	RV	12-RV-20	241702	241702	BRADY UNIT - NOV 98 GAS EST		9,995.57-							
/98 01/04/99	AA	RV	12-RV-20	242009	242009	BRADY UNIT - NOV 98 GAS EST		7,732.59-							
/98 01/04/99	AA	RV	12-RV-20	242109	242109	BRADY UNIT - NOV 98 GAS EST		21,223.52-							
/98 01/04/99	AA	RV	12-RV-20	242409	242409	BRADY UNIT - NOV 98 GAS EST		5,159.29-							
/98 01/04/99	AA	RV	12-RV-20	415933	415933	BRADY UNIT - NOV 98 GAS EST		145,639.78-							
/98 01/04/99	AA	RV	12-RV-20	437433	437433	BRADY UNIT - NOV 98 GAS EST		68,378.02-							
/98 01/04/99	AA	RV	12-RV-20	710001	710001	BRADY UNIT - NOV 98 GAS EST	701,877.02								
/98 02/17/99	AA	GJ	P&L			P & L CLOSING ENTRY	100,250.24								
						ACTIVITY TOTAL	8,738,871.03	8,648,969.28-	89,901.75						
						12/31/98 ACCOUNT BALANCE			0.00						

expro Net Working Interest Royalty Value "Dollars" in general ledger accounts 410.210, 410.220 and 410.230

expro Net Working Interest "Volumes" in general ledger accounts 410.210, 410.220 and 410.230 → 29,742

\*\*\* SUMMARY \*\*\*

THROUGH 12/31/98

Attachment A

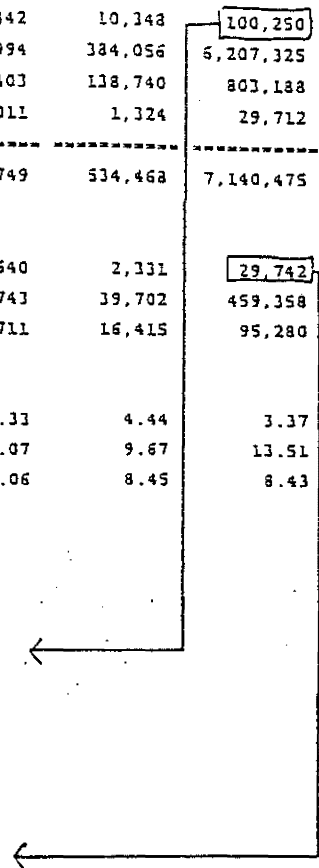
NET WORKING INTEREST YEAR END BALANCE WORKSHEET

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DESCRIPTION	JUL	AUG	SEP	OCT	NOV	DEC	YTD CUM-TO-DATE	
SALES								
ALLES	514-	1,419	15,713-	11,086	75,342	10,343	100,250	52,609,092
ALLES	503,346	429,847	583,255	465,298	527,994	384,056	6,207,325	28,111,061
CTION PLANT SALES	48,818	59,073	59,013	121,322	47,403	138,740	803,188	5,110,794
REVENUE	484	480	23,008	597	1,011	1,324	29,712	17,054
SALES	552,133	490,819	649,563	598,303	651,749	534,468	7,140,475	85,868,001
VOLUMES-----								
MCF	2,850	47,802	537-	1,609	22,640	2,331	29,742	20,978,260
BBL	44,645	14,789	41,176	31,321	43,743	39,702	459,358	1,479,386
CTION PLANT SALES	8,154	8,579	7,143	20,789	6,711	16,415	95,280	407,382
REVENUE								
PRICING-----								
AGE PRICE PER MCF	0.18-	0.03	29.23	6.89	3.33	4.44	3.37	2.51
AGE PRICE PER BBL	11.27	12.36	14.17	14.86	12.07	9.67	13.51	19.00
AGE PRICE PLANT PRODUCTS	5.99	6.89	8.26	5.84	7.06	8.45	8.43	12.55
AGE FOR OTHER PRODUCTS								

Wexpro Net Working Interest Royalty  
 Value "Dollars" in general ledger  
 accounts 410.210, 410.220 and 410.230

Wexpro Net Working Interest "Volumes"  
 in general ledger accounts 410.210,  
 410.220 and 410.230



CLEARING WELL ELIMINATIONS WORKSHEET

WI

Month Net Vol Net Dol

1: 710001 DUMMY REVENUE ONLY!!! WY Operator: 75 WEXPRO COMPANY

GL Account: 410.210 GS GAS SALES WI

	2488284.83-	8163039.64
	2521386.86-	5187410.44
03/98	2405823.71-	5344207.51
04/98	2205770.69-	3928570.71
05/98	2130822.54-	4364719.13
06/98	2599087.04-	5238293.86
07/98	2153416.70-	4582342.47
08/98	2084250.58-	3610704.89
09/98	2102528.27-	3745686.36
10/98	2466094.26-	4400133.28
11/98	2616053.00-	4278927.88
12/98	2532409.10-	4647450.25
Total	8306027.58-	57491486.42

IL Account: 410.220 GS GAS SALES RI

01/98	0.00	17279.53
02/98	0.00	9859.57
03/98	0.00	10018.79
04/98	0.00	7217.53
06/98	0.00	14960.93
Total	0.00	59336.35

OL Account: 410.230 GS GAS SALES OR

01/98	0.00	45062.81
02/98	0.00	30393.63
03/98	0.00	30046.48
04/98	0.00	22674.02
06/98	0.00	46122.75
07/98	0.00	5878.62
9	0.00	36504.01
1	0.00	10891.37
11/98	0.00	16912.92
12/98	0.00	23969.99
Total	0.00	268456.60

Total 28306027.58- 57819279.37

Total "Volumes" and Royalty Value "Dollars" for general ledger accounts 410.210, 410.220 and 410.230 for Wyoming

11: 710101 DUMMY REVENUE ONLY!!! CO Operator: 75 WEXPRO COMPANY

IL Account: 410.210 GS GAS SALES WI

01/98	871193.31-	2751642.38
02/98	875248.52-	1832871.35
03/98	946365.45-	1997477.45
04/98	1060071.38-	1905469.27
05/98	932556.76-	1874335.22
06/98	810036.13-	1544041.39
07/98	204967.92-	349821.01
08/98	266250.77-	457215.96
09/98	22524.25-	24122.80
10/98	120106.26	156364.69-
11/98	38666.85-	21106.76
12/98	403824.18-	707045.31
Total	6311599.26-	13308784.21

GL Account: 410.220 GS GAS SALES RI

GL Account: 410.230 GS GAS SALES OR

Total 6311599.26- 13308784.21

Total "Volumes" and Royalty Value "Dollars" for general ledger accounts 410.210, 410.220 and 410.230 for Colorado

11: 710201 DUMMY REVENUE ONLY !!! UT Operator: 75 WEXPRO COMPANY

GL Account: 410.210 GS GAS SALES WI

CLEARING WELLS ELIMINATIONS WORKSHEET (cont'd)

Month	Net Vol	Net Dol
01/98	382055.05-	1177899.17
'98	273106.57-	541062.62
1	267676.58-	567300.26
.98	232750.77-	399143.86
05/98	308485.06-	593832.17
06/98	410887.06-	803302.36
07/98	200639.81-	408276.54
08/98	124632.00-	229953.73
09/98	121177.53-	198626.97
10/98	2715.75-	4620.23
11/98	3082.75-	4796.08
12/98	12024.64-	19631.58

Total "Volumes" and Royalty Value "Dollars" for general ledger accounts 410.210, 410.220 and 410.230 for Utah

Total 2339233.57- 4948445.57

GL Account: 410.220 GS GAS SALES RI

GL Account: 410.230 GS GAS SALES OR

Total 2339233.57- 4948445.57

Total 36956860.41- 76076509.15

Sum of Wexpro/Questar Gas Net Working Interest Royalty Value "Dollars" in general ledger accounts 410.210, 410.220 and 410.230 for Wyoming, Colorado and Utah

Sum of Wexpro/Questar Gas Net Working Interest "Volumes" in general ledger accounts 410.210, 410.220 and 410.230 for Wyoming, Colorado and Utah