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EPRO COMPL.

July 26, 2004

Evans Consulting Company 2002 Cimarron Court Mission, TX 78572-7432 Attn: David Evans

Re: 3D Seismic, Canyon Creek Unit

QUESTAR

Dear David:

Wexpro requests pre-participation approval by the hydrocarbon monitor to participate in a 3D seismic program over Canyon Creek Unit as discussed below. This request is based on the guideline letter of October 17, 1994 which requires Wexpro to get pre-participation review and approval by the hydrocarbon monitor for future 3D seismic programs.

Overview

Canyon Creek Unit has production from shallow Wasatch and Fort Union Formations, intermediate depth Mesaverde Formation, and deep Frontier and Dakota Formations. Because of the multiple stratigraphic horizons that are productive and the diverse ownership, the unit is horizontally segregated into different participating areas. Wexpro operates the Canyon Creek Unit (approximately T12N-13N, R101W, Sweetwater, Wyoming), but has designated QEP as sub-operator for the shallower Fort Union and Wasatch producing zones in which Wexpro has no ownership. Wexpro's primary ownership is only within the Mesaverde Formation, with limited additional ownership in other formations within 1980' circles. QEP in addition to ownership in the shallow formations, also has rights to zones deeper than the Mesaverde, but not in the Mesaverde. Neither Wexpro nor QEP has 100% ownership in any zone, but rather is a partner with other companies.

Wexpro has been cautiously, but successfully developing additional Mesaverde reserves by infill drilling in Canyon Creek. It appears that if all potential locations can be drilled, there may be approximately 40 additional infill and step out locations available. The infill drilling is based on completing different sandstones than are completed in the existing offset wells. These additional sandstones have more limited drainage areas than higher quality sandstones completed in the original wells. These additional sandstones are not "blanket" type sandstones and part of the success of infill wells is the ability to predict the presence of individual sandstones at a given location. Seismic may provide some additional insight into presence or absence of individual sandstones, especially in step out well locations. Additionally, because Canyon Creek Unit is located a large structural anticline, it likely has a system of faults and fractures similar to those found on nearby structures. These faults and fractures are not recognized based on the limited well control currently available. Seismic may provide insight as to the location and trend of fractures and faults which may allow better interpretation of compartmentalization of the reservoir as well as any directionality of drainage, rather than the simple drainage circles we now use. This knowledge will enable better placement of future wells to maximize reserves and perhaps lessen the risk of drilling poor performing wells.

3D Seismic Program

QEP and its partners have decided to conduct a 51 square mile 3D seismic survey over the Canyon Creek area to image all the known productive reservoirs and have invited Wexpro to participate. The seismic survey is designed to enable mapping of individual Mesaverde sandstone bodies if they are thicker than 15 feet, map major packages of Mesaverde sandstones, predict reservoir quality, map faults with throw greater than 25 feet and accurately map depth between existing control points. Additionally, it will provide detailed imaging of the Frontier, Dakota, and Baxter formations in which Wexpro has ownership within selected 1980 foot circles.

Geophysicists believe that there is little risk of getting unusable data because similar surveys with similar geology and topography nearby have had good results.

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The total survey cost, including processing, is projected to be \$1,264,800. Based on thickness of interval to be imaged and ownership within the interval, it is determined that Wexpro should have 21% of the total cost or \$265,608. This was calculated using the depth to the base of the Wexpro ownership (base Mesaverde) at approximately 7,000' in Canyon Creek Unit 34. Modeling of the seismic indicates that the deepest depth which can be imaged is 17,500', thus 60% of the beneficial seismic is at depths greater than Wexpro ownership (17500-7000)/17500 = 60%). Of the remaining 40%, the very shallow derives little benefit from the seismic data and is allocated 10% of the cost with 30% remaining for the Mesaverde interval. With approximately 70% working interest ownership in this interval, Wexpro total share of the seismic would then be 21%. This methodology assigns no share of the cost of the deep seismic to Wexpro, but Wexpro does have some limited ownership in the deep intervals.

Recommendation

Wexpro should participate for its calculated share (\$265,608) of the Canyon Creek seismic program. This participation is in order that Wexpro might lower its risk in future development wells and might be able to better predict directional drainage patterns and sand terminations.

Please indicate your approval of Wexpro's participation in the above discussed 3D seismic program by signing in the signature box below. If you wish to discuss this further, please let me know.

Respectfully Yours, ames R. Living

James R. Livsey, Vice President

Approved: David E. Evans, Evans Consulting Company Hydrogarbon Monitor for Wexpro

Date: Aregust 2,2004

cc: Darrell Hanson, Utah Division of Public Utilities