



Wexpro Company

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Re: QEP Assignment of F. Wilson #37 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 lower Almond Formation in the F. Wilson #37 well to Wexpro. Because of the high allocated drilling and completion costs, lack of "bailout" opportunity, QEP desires to relinquish and quitclaim its rights in the lower Almond Formation in this well to Wexpro for development under the terms of the Wexpro Agreement.

Currently Wexpro owns 100% working interest in the upper Almond Formation and a 0.0% working interest in the lower Almond Formation. QEP currently owns 100% of the lower Almond and has 0.0% working interest in the upper Almond Formation. There are no other WI partners in the well. In transferring these rights to Wexpro, QEP will retain a 7% ORRI on the interest transferred to Wexpro in the lower Almond 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 \$1.982 million for this well.

I agree with the request of Wexpro to take assignment of the QEP interest (subject to QEP reserving a 7% ORRI) in the lower Almond Formation in the F. Wilson #37 well in accordance with the August 9, 2004 Guideline Letter and recommend approval of this request.

David E. Evans
President, Evans Consulting Company

June 14, 2011
Date