



News Release

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Questar Corporation and Ute Indian Tribe Enter Into Agreements to Explore and Develop Tribal Lands and Construct a Gas-Gathering System in the Uinta Basin

SALT LAKE CITY — Questar Corp. (NYSE: STR) subsidiaries Questar Exploration and Production Co. (Questar E&P) and Questar Gas Management Co.(Gas Management) have entered into agreements with the Ute Indian Tribe of the Uintah and Ouray Indian Reservation (Ute Indian Tribe) to explore for, develop, produce and gather natural gas on tribal lands in the Uinta Basin of northeastern Utah. Questar E&P has signed an Exploration and Development Agreement (EDA) on a large block of tribal minerals in the Wolf Flat area. Separately, Gas Management signed a letter of intent to form a joint venture to construct, own and operate a natural gas-gathering system that will serve Wolf Flat and other areas in the Uinta Basin.

Questar E&P's EDA with the Ute Indian Tribe covers 12,557 acres of tribal minerals in the Wolf Flat area adjacent to the company's recently completed Flat Rock 9P-36-14-19 well in Section 36, T 14 S –R 19 E. The Flat Rock well was drilled to a total depth of 12,453 feet in late 2004 and is currently producing approximately 5 million cubic feet of gas per day from multiple pay zones in the Entrada, Morrison, Cedar Mountain and Dakota formations. Additional productive intervals remain isolated beneath a drillable composite frac plug. Questar E&P has a

100% working interest in the Flat Rock well. Pursuant to the EDA, Questar E&P is committed to drill one well on the new acreage this summer and, after acquiring new 2-D seismic data on the EDA lands, has a continuous option to drill additional wells to earn mineral-development leases on tribal lands. The Ute Indian Tribe has the right, but not the obligation, to participate in the wells with up to a 50% working interest.

Gas Management, the Ute Indian Tribe, and FIML Natural Resources, LLC have signed a letter of intent to form a joint venture company to construct, own and operate a natural gas-gathering system on tribal and other lands in the southern portion of the Uinta Basin. The new system will serve an area between Townships 10 to 21 South and Ranges 17 to 22 East, Salt Lake Meridian. Gathered volumes will be redelivered to interstate pipelines operated by Questar Pipeline Co., Northwest Pipeline and Colorado Interstate Gas.

“Questar is excited about the opportunities created by these agreements, and we look forward to working with the Ute Indian Tribe,” said Chuck Stanley, president and CEO of Questar E&P and Gas Management. “The Wolf Flat EDA lands cover highly prospective multiple-target trends directly offsetting our recently completed Flat Rock well. We’ve already identified one drilling location on the new acreage, and we plan to shoot 2-D seismic this summer to evaluate additional locations. Gas Management’s joint venture has the potential to significantly expand our Uinta Basin gas-gathering business, furthering our strategy to create a midstream hub centered on our core assets at Red Wash and Wonsits Valley,” he added.

Maxine Natchees, chairman of the Ute Indian Tribe, said, “The Business Committee of the Tribe is taking a much more active and aggressive role in managing its vast natural resources with guidance provided by John Jurrius, the Tribe’s financial advisor. The two transactions announced here are very important to the Tribe in its quest to provide financial independence to

future generations of tribal members. Questar Corporation is an ideal partner with whom we hope to pursue many more business opportunities.”

The Ute Indian Tribe resides on the 1.4 million-acre Uintah and Ouray Indian Reservation in northeastern Utah. Three bands of Utes comprise the Ute Indian Tribe: the Whiteriver Band, the Uncompahgre Band and the Uintah Band. There are 3,146 tribal members, of which about half currently reside on the Uintah and Ouray Indian Reservation.

Questar Corp. is a natural gas-focused energy company with an enterprise value of \$5.8 billion. Headquartered in Salt Lake City, Questar finds, develops, produces, gathers, processes, transports and distributes natural gas.