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As filed with the Securities and Exchange Commission on February 22, 2002

Registration No. 333-

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM S-4

REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

QUESTAR MARKET RESOURCES, INC.

(Exact name of registrant as specified in its charter)

UTAH	**1381**	**87-0287750**
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification No.)

180 East 100 South Street
P.O. Box 45601
Salt Lake City, Utah 84145-0601
(801) 324-2600
(Address, including zip code, and telephone number,
including area code, of registrant's principal executive offices)

CONNIE C. HOLBROOK, Esq.
Questar Market Resources, Inc.
180 East 100 South Street
P.O. Box 45601
Salt Lake City, Utah 84145-0601
(801) 324-5202
(Name, address, including zip code, and telephone number,
including area code, of agent for service)

Copy to:

RICHARD J. GROSSMAN, Esq.
Skadden, Arps, Slate, Meagher & Flom LLP
4 Times Square
New York, New York 10036

APPROXIMATE DATE OF COMMENCEMENT OF PROPOSED SALE TO THE PUBLIC:
As soon as practicable after the effective date of this Registration Statement.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. / /

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act of 1933, as amended (the "Securities Act"), check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. / /

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. / /

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered	Proposed Maximum Offering Price	Proposed Maximum Aggregate	Amount of Registration Fee

		Per Share(1)	Offering Price(1)	
7% Exchange Notes Due 2007	$200,000,000	100%	$200,000,000	$18,400(1)

(1) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(f) under the Securities Act of 1933, as amended.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

SUBJECT TO COMPLETION FEBRUARY 22, 2002

PROSPECTUS

The information in this prospectus is not complete and may be changed. We may not offer these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell and is not soliciting an offer to buy these securities in any state where the offer and sale is not permitted.

$200,000,000

Questar Market Resources, Inc.

Offer to Exchange
7 % Exchange Notes Due 2007
for all outstanding Notes Due 2007

The new exchange notes

- will be freely tradeable and otherwise substantially identical to the outstanding notes;
- will accrue interest from January 16, 2002 at the rate of 7% per annum, payable semi-annually in arrears on each March 1 and September 1, beginning March 1, 2002;
- will be unsecured and will rank equally with the outstanding notes and our other unsecured senior subordinated indebtedness; and
- will not be listed on any securities exchange or on any automated dealer quotation system

The exchange offer

- expires at 5:00 p.m., New York City time, on [ ], 2002, unless extended; and
- is not conditioned upon any minimum aggregate principal amount of outstanding notes being tendered.

In addition, you should note that

- all outstanding notes that are validly tendered and not validly withdrawn will be exchanged for an equal principal amount of new exchange notes that are registered under the Securities Act of 1933;
- tenders of outstanding notes may be withdrawn any time prior to the expiration of the exchange offer; and
- the exchange of outstanding notes for new exchange notes in the exchange offer will not be a taxable event for U.S. federal income tax purposes.

You should consider carefully the risk factors beginning on page 13 of this prospectus before participating in the exchange offer.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the new exchange notes or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The date of this Prospectus is February 22, 2002

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This prospectus incorporates important business and financial information about us that is not included with this prospectus. This information is available without charge to you upon written or oral request. If you would like a copy of any of this information, please submit your request to Questar Market Resources, Inc., Attention: Corporate Secretary, 180 East 100 South Street, Salt Lake City, Utah 84111, or call 801-324-5202.

IN ORDER TO OBTAIN TIMELY DELIVERY OF ANY INFORMATION YOU REQUEST, YOU MUST SUBMIT YOUR REQUEST NO LATER THAN , WHICH IS FIVE BUSINESS DAYS BEFORE THE DATE THE EXCHANGE OFFER EXPIRES.

ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement we filed with the Securities and Exchange Commission. We are submitting this prospectus to holders of outstanding notes so that they can consider exchanging their outstanding notes for new exchange notes. You should rely only on the information contained or incorporated by reference in this prospectus. We have not authorized any person to provide you with additional or different information. We are not making an offer of these securities in any jurisdiction where the offer is not permitted. You should assume that the information in this prospectus is accurate only as of the date on the front cover of this prospectus and that any information that we have incorporated by reference is accurate only as of the date of the document incorporated by reference.

FORWARD-LOOKING STATEMENTS

This prospectus includes "forward-looking statements" within the meaning of Section 27(a) of the Securities Act, and Section 21(e) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). All statements other than statements of historical facts included or incorporated by reference in this prospectus, including, without limitation, statements regarding our future financial position, business strategy, budgets, projected costs and plans and objectives of management for future operations, are forward-looking statements. In addition, forward-looking statements generally can be identified by the use of forward-looking terminology such as "may," "will," "could," "expect," "intend," "project," "estimate," "anticipate," "believe," "forecast" or "continue" or the negative thereof or variations thereon or similar terminology. Although we believe that the expectations reflected in these forward-looking statements are reasonable, we cannot assure you that such expectations will prove to have been correct. Important factors that could cause actual results to differ materially from those expressed or implied in forward-looking statements include changes in general economic conditions, gas and oil prices and supplies, competition, regulation of the Wexpro settlement agreement, availability of gas and oil properties for sale or exploration or development, the rate of inflation, the weather and other natural phenomena, the effect of accounting policies issued periodically by accounting standard-setting bodies, and other factors beyond our control that could affect adversely our financial condition and results of operations. All our subsequent written and oral forward-looking statements or those of persons acting on our behalf, are qualified by these cautionary statements.

WHERE YOU CAN FIND ADDITIONAL INFORMATION

We file annual, quarterly and special reports and other information with the Securities and Exchange Commission (the "Commission"). You may read and copy any document we file at the public reference facilities of the Commission located at 450 Fifth Street N.W., Washington, D.C. 20549. You may obtain information on the operation of the Commission's public reference facilities by calling the Commission at 1-800-SEC-0330. You can also obtain copies of this material from commercial retrieval services and electronically at the Commission's Internet web site at http://www.sec.gov.

We are incorporating by reference specified documents that we file with the Commission, which means that we can disclose important information to you by referring you to those documents that are considered part of this prospectus. Later information that we file with the Commission will automatically update and supersede this information. We incorporate by reference the documents listed

below and any future filings made with the Commission under Section 13(a), 13(c), 14 or 15(d) of the Exchange Act by us until our offering of exchange notes has been completed.

Filing	Period

Annual Report on Form 10-K	Year ended December 31, 2000
Amendment No. 1 to Annual Report on Form 10-K/A	Year ended December 31, 2000
Quarterly Report on Form 10-Q	Quarter ended March 31, 2001
Amendment No. 1 to Quarterly Report Form 10-Q/A	Quarter ended March 31, 2001
Quarterly Report on Form 10-Q	Quarter ended June 30, 2001
Amendment No. 1 to Quarterly Report Form 10-Q/A	Quarter ended June 30, 2001
Quarterly Report on Form 10-Q	Quarter ended September 30, 2001
Current Report on Form 8-K	Dated August 13, 2001
Current Report on Form 8-K	Dated October 12, 2001

If you request a copy of any or all of the documents incorporated by reference, then we will send to you the copies you requested at no charge. However, we will not send exhibits to the documents unless exhibits are specifically incorporated by reference in those documents. You should direct requests for copies to: Corporate Secretary, Questar Market Resources, Inc., 180 East 100 South Street, Salt Lake City, Utah 84111; telephone number (801) 324-5202.

PROSPECTUS SUMMARY

This summary highlights selected information from this prospectus to help you understand the terms of this exchange offer and the new exchange notes. It likely does not contain all the information that is important to you or that you should consider in making a decision to exchange your outstanding notes for new exchange notes. To understand all of the terms of this exchange offer and the new exchange notes and to attain a more complete understanding of our business and financial situation, you should carefully read this entire prospectus and the information we have incorporated by reference herein. The terms "the Company," "we," "our," "ours," and "us" as used in this prospectus refer to "Questar Market Resources, Inc." and its subsidiaries as a combined entity.

You should carefully consider the information set forth under the heading "Risk Factors." This prospectus contains certain forward-looking statements which involve risks and uncertainties. Our actual results may differ significantly from the results discussed in the forward-looking statements. See "Forward-Looking Statements."

The term "outstanding notes" refers to the 7% Notes due 2007 that were issued January 16, 2002. The terms "new exchange notes" or "exchange notes" refer to the 7% Exchange Notes due 2007 issuable in the exchange offer. The term "notes" refers to the outstanding notes and the new exchange notes collectively.

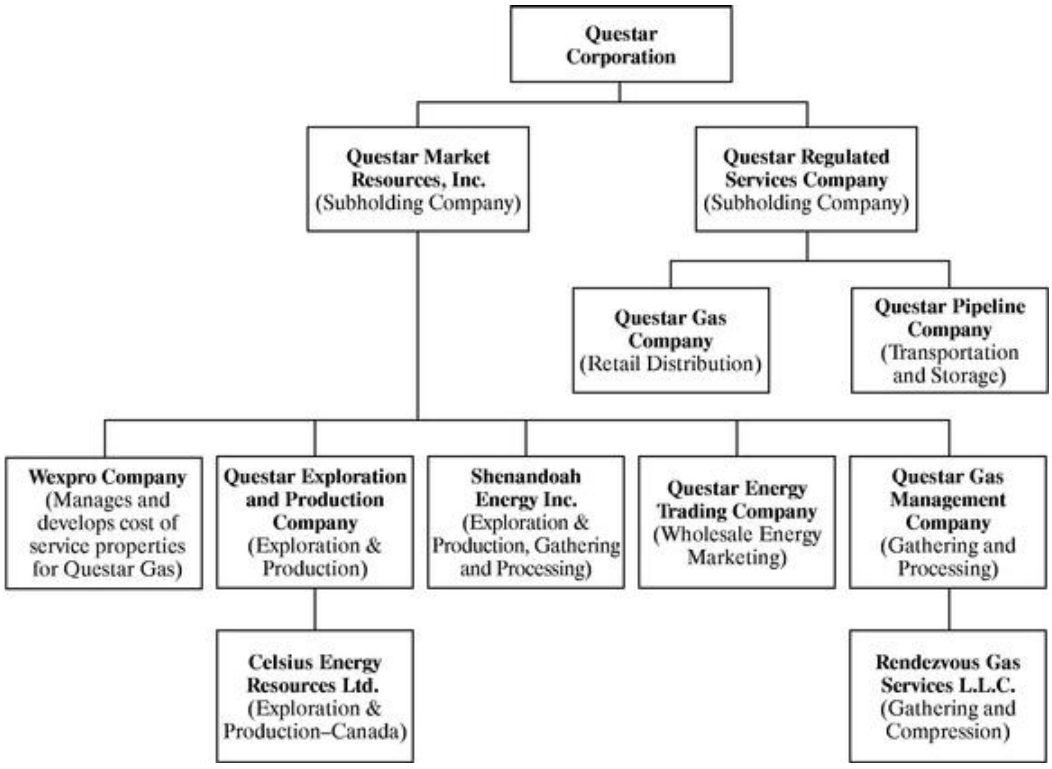
About Questar Market Resources, Inc.

We are a wholly-owned subsidiary of Questar Corporation ("Questar"). Questar is a publicly traded diversified natural gas company with two principal business units, Market Resources and Regulated Services. We comprise the Market Resources unit of Questar and as such engage in oil and gas exploration and production, gas gathering and processing, wholesale gas and hydrocarbon liquids marketing and trading and the acquisition and development of producing oil and gas properties. Natural gas remains the primary focus of our E&P operations. As of December 31, 2000, we had proved, non-regulated reserves of 730 billion cubic feet equivalent ("Bcfe") of gas and oil. We added an additional 415 Bcfe of proved reserves with the acquisition of Shenandoah Energy Inc. ("SEI") on July 31, 2001.

As the primary growth area within Questar's business strategy, we expect to spend a majority of Questar's capital budget over the next five years to expand reserves through drilling and acquisitions and to enlarge our infrastructure of gathering systems, processing plants, gas collection header facilities and privately controlled storage facilities. We believe that the range of related activities we pursue creates growth synergies. As we find or acquire new gas and oil reserves, we are able to expand gathering, processing and marketing activities.

Our Corporate Structure

The following is a diagram of Questar's and our corporate structure:



Our Relationship with Questar

We are parties to several agreements with Questar and its affiliates which govern different aspects of our relationship with Questar. Summaries of the agreements may be found under the heading "Our Relationship with Questar" in this prospectus.

Our Business Strategy

We believe we can best meet and balance the expectations of Questar and our fixed income investors by pursuing the following strategies in our business:

- execute a prudent, disciplined program for growing our oil and gas reserves;
- provide stakeholder value performance in both the short and long term;
- employ hedging and other risk management tools to manage price volatility;
- maintain a strong balance sheet that allows prudent growth opportunities to occur;
- maintain a portfolio of quality drilling prospects;
- identify and divest non-core and marginal assets and activities; and
- employ technology and proven innovations to reduce costs.

Recent Developments

Shenandoah Energy Inc. Acquisition. On July 31, 2001, we purchased SEI for approximately $403 million in cash and assumed debt. The purchase increased our December 31, 2000 proved, non-regulated reserves by 59% or 415 Bcfe. SEI was a privately held exploration, production, gathering and drilling company, based in Denver, Colorado.

The acquisition of SEI, with principal operations in the Uintah Basin of eastern Utah, provided us with:

- 415 Bcfe of proved reserves, consisting of 72% natural gas and 28% oil, with an allocated acquisition cost of $0.52 per Mcfe;
- 100 MMcf per day of natural gas processing capacity;
- 90 miles of natural gas gathering pipelines;
- 114,000 net acres of undeveloped leasehold acreage; and
- Four drilling rigs.

This acquisition is the largest in our history and strengthens our position in the Rocky Mountain producing region. It also continues Questar's strategy of expanding unregulated activities and adding low-cost reserves with substantial upside potential. The SEI properties are located in Questar's core operating area

which already includes extensive pipeline and gathering systems. The acquisition immediately expands our daily non-utility oil and gas production by 63 million cubic feet equivalent ("MMcfe"), and we believe it provides new low-risk oil and gas development drilling opportunities.

The acquisition cost, based on proved reserves alone, amounts to $0.97 per thousand cubic feet equivalent ("Mcfe"), while the cost for proved reserves is $0.52 per Mcfe after assigning value to all acquired assets. We expect the transaction will immediately enhance cash flow, reserves and production. The SEI acquisition, financed with cash and borrowings, had a neutral to slightly positive effect on earnings for 2001 as the reserves are already developed and producing. As many as seven rigs have been simultaneously used during the past six months.

The SEI properties currently are producing gas from the Green River and Wasatch formations at depths of approximately 4,000 feet and 8,000 feet, respectively, and there are several other potential hydrocarbon-bearing formations at depths of 3,000 to 16,000 feet.

Fourth Quarter and Full Year 2001 Earnings Results. Our fourth quarter 2001 earnings were $19.1 million versus $26.1 million for the comparable year-earlier period. Natural gas production rose 21% in the quarter, but the average price received was 26% lower at $2.64 per Mcf. A 41% increase in oil and natural gas-liquids production was partially offset by prices 22% below year-earlier levels. Wexpro earnings grew by $1.3 million compared with a year earlier, bolstered by expanded investment in gas development drilling assets. Gains from asset sales were $2.5 million after taxes in the 2001 period, compared with a $1.4 million loss in the corresponding year-earlier quarter. For all of 2001, we earned $101.1 million versus $77.8 million in 2000. Natural gas production increased 2% to 70.6 Bcf, and average realized prices were 15% higher at $3.21 per Mcf. Oil and natural gas-liquids production was 12% higher at 2.5 million barrels, offsetting a 6% price decline to $19.22 per barrel. Production increases resulted from the acquisition of Shenandoah Energy. Earnings at Wexpro rose 16% in 2001 as a result of an increased investment in successful gas-development projects during the year. Gas gathering and energy trading activities achieved combined earnings of $8.4 million in 2001 compared with $11.3 million in the prior year. The 2000 results included a $1.2 million benefit from capitalizing certain construction financing costs on a gas storage project, as well as a $2.4 million gain from the sale of company-owned stock.

We currently have 34% of our projected first half of 2002 natural gas production hedged at a net-to-the-well price of $3.51 per Mcf and 28% of our projected second half of 2002 natural gas production hedged at $3.40 per Mcf net-to-the-well. We have also hedged 41% of our projected 2002 oil production at an average net-to-the-well price of $24.45 per barrel.

Change in Accounting Method. On July 1, 2001, we elected to change our accounting method for gas and oil properties from the full cost method to the successful efforts method. Please refer to our Current Report on Form 8-K, dated October 12, 2001, incorporated herein by reference. We believe that the successful efforts method of accounting is preferable and that the accounting change will more accurately present the results of operations of our exploration, development and production activities. The successful efforts method minimizes asset write-downs caused by temporary declines in gas and oil prices and reflects impairment of the carrying value of gas and oil properties only when there has been an other-than-temporary decline in their fair value. Under the full cost accounting method all costs associated with the acquisition, exploration and development of gas and oil reserves are capitalized. Gains and losses on property sales are also capitalized. Under the successful efforts method, the costs to drill and equip developmental wells and successful exploratory wells are capitalized, while dry exploratory well costs and exploration costs are expensed; gains and losses on property sales are generally recognized in income in the period incurred.

Joint Gas Gathering Venture with Western Gas Resources, Inc. On October 5, 2001, we announced an agreement with Western Gas Resources, Inc. to form a joint venture that will provide gas gathering and compression services to the Hoback Basin, including the Pinedale Anticline and Jonah Field areas in southwest Wyoming. Through our subsidiary, Questar Gas Management, and Western Gas Resources' subsidiary, Mountain Gas Resources, Inc., the companies have formed Rendezvous Gas Services, L.L.C. Each entity will contribute certain assets to the joint venture and Rendezvous will construct and operate gas pipeline and compression facilities with the capacity to transport approximately 275 MMcf per day of gas product from the Hoback Basin. In addition, the joint venture will deliver gas for blending and processing services to the Granger and Blacks Fork processing plants. Mountain Gas owns the Granger processing plant and Questar Gas Management is a 50% owner and the operator of the Blacks Fork processing plant.

Our Executive Offices

Our executive offices are located at 180 East 100 South, P.O. Box 45601, Salt Lake City, Utah 84145-0601, and our telephone number is (801) 324-2600. We also maintain regional operating offices in Denver, Colorado; Oklahoma City, Oklahoma; Tulsa, Oklahoma; Rock Springs, Wyoming; and Calgary, Alberta.

Summary of the Exchange Offer

On January 16, 2002, we issued $200,000,000 principal amount of the outstanding notes to the initial purchasers of those notes (the "Initial Purchasers") in a private transaction not registered under the Securities Act of 1933, as amended (the "Securities Act"), in reliance upon Section 4(2) of the Securities Act. The Initial Purchasers then offered and resold the outstanding notes to qualified institutional buyers at an initial price to such purchasers of 100% of the principal amount of those notes.

We entered into a registration rights agreement with the Initial Purchasers in the private offering in which we agreed to deliver to you this prospectus and to complete the exchange offer within 45 days after the Commission declares this registration statement effective. In the exchange offer, you are entitled to exchange your outstanding notes for new exchange notes that are registered with the Commission but otherwise contain substantially identical terms.

You should read the discussion under the headings "Summary of the Terms of the New Exchange Notes" beginning on page 10 and "Description of the Exchange Notes" beginning on page 29 for further information regarding the new exchange notes. After this exchange offer expires, you will no longer be entitled to any exchange or registration rights for your outstanding notes.

We summarize the terms of the exchange offer below. You should read the discussion under the headings "The Exchange Offer" beginning on page 19 for further information regarding the exchange offer and resale of the new exchange notes.

The Exchange Offer	We are offering to exchange up to $200 million aggregate principal amount of exchange notes for up to $200 million aggregate principal amount of the outstanding notes. Outstanding notes may be exchanged only in integral multiples of $1,000.

	Outstanding notes that are not tendered for exchange will continue to be subject to transfer restrictions and will not have registration rights. Therefore, the market for secondary resales of outstanding notes that are not tendered for exchange is likely to be minimal.
Expiration Date	The Exchange Offer will expire at 5:00 p.m., New York City time, on [ ], 2002, or such later date and time to which we extend it.
Withdrawal of Tenders	You may withdraw your tender of outstanding notes at any time prior to the expiration date, unless previously accepted for exchange. We will return to you, without charge, promptly after the expiration or termination of the exchange offer any outstanding notes that you tendered but that were not accepted for exchange.
Conditions to the Exchange Offer	We will not be required to accept outstanding notes for exchange if the exchange offer would be unlawful or would violate any interpretation of the staff of the Commission. The exchange offer is not conditioned upon any minimum aggregate principal amount of outstanding notes being tendered. Please read the section "The Exchange Offer—Conditions to the Exchange Offer" beginning on page 23 for more information regarding the conditions to the exchange offer.
Procedures for Tendering Outstanding Notes	If your outstanding notes are held through The Depository Trust Company and you wish to participate in the exchange offer, you may do so through the automated tender offer program of The Depository Trust Company. If you tender under this program, you will agree to be bound by the letter of transmittal that we are providing with this prospectus as though you had signed the letter of transmittal. By signing or agreeing to be bound by the letter of transmittal, you will represent to us that, among other things: • any new exchange notes that you receive will be acquired in the ordinary course of your business; • you have no arrangement or understanding with any person or entity to participate in the distribution of the new exchange notes; • you are not our "affiliate," as defined in Rule 405 of the Securities Act of 1933, or, if you are our affiliate, you will comply with any applicable registration and prospectus delivery requirements of the Securities Act of 1933; • if you are not a broker-dealer, you are not engaged in and do not intend to engage in the distribution of the new exchange notes; • if you are a broker-dealer you will receive new exchange notes for your own account in exchange for outstanding notes that were acquired as a result of market-making or other trading activities, and you will deliver a prospectus, as required by law, in connection with any resale of such notes; and • you are not acting on behalf of any person who could not truthfully make the foregoing representations.
Procedures for Beneficial Owners	If you own a beneficial interest in outstanding notes that are registered in the name of a broker, dealer, commercial bank, trust company or other nominee, and you wish to tender the outstanding notes in the exchange offer, you should contact the registered holder promptly and instruct the registered holder to tender on your behalf.
Guaranteed Delivery Procedures	If you wish to tender your outstanding notes and cannot comply, prior to the expiration date, with the applicable procedures under the automated tender program of The Depositary Trust Company, you must tender your outstanding notes according to the guaranteed delivery procedures described in "The Exchange Offer—Guaranteed Delivery Procedures" beginning on page 25.
Certain U. S. Federal Income Tax Considerations	The exchange of outstanding notes for new exchange notes in the exchange offer will not be a taxable event for U. S. federal income tax purposes. Please read "Certain Federal Income Tax Consequences" beginning on page 44.
Use of Proceeds	We will not receive any cash proceeds from the issuance of new exchange notes.

The Exchange Agent

We have appointed Bank One, NA as exchange agent for the exchange offer. You should direct questions and requests for assistance, requests for additional copies of this prospectus or of the letter of transmittal and requests for the notice of guaranteed delivery to the exchange agent addressed as follows:

For Delivery by Mail, Overnight Delivery Only or by Hand:
Bank One Trust Company
One Bank One Plaza
Ste. IL-0126
Chicago, Illinois 60670-0129
Attention: Ms. Sharon McGrath

For Facsimile Transmission
(For eligible institutions only)
402-496-2014
To Confirm Receipt
402-496-1960

Summary of Terms of the New Exchange Notes

The new exchange notes will be freely tradeable and otherwise substantially identical to the outstanding notes. The new exchange notes will not have registration rights or provisions for additional interest. The new exchange notes will evidence the same debt as the outstanding notes, and the outstanding notes are and the new exchange notes will be governed by the same indenture. The outstanding notes and the new exchange notes will vote together as a single separate class under the indenture.

Issuer	Questar Market Resources, Inc.
Securities offered	$200,000,000 aggregate principal amount of 7% exchange notes due 2007.
Maturity	January 16, 2007.
Interest payment dates	March 1 and September 1 of each year, beginning March 1, 2002.
Ranking	The exchange notes will be unsecured and rank equally with our other unsecured indebtedness from time to time outstanding. Since we are a holding company, the claims of creditors of our subsidiaries will have priority over the claims of holders of the exchange notes. At the present time we have no debt that would be considered senior to the exchange notes. The indenture does not restrict the amount of indebtedness that we or our subsidiaries may incur. As of September 30, 2001, we had approximately $636.6 million of total indebtedness outstanding.
Optional redemption	We may redeem some or all of the exchange notes at any time at the redemption price described in this prospectus.
Change of control repurchase	Upon a change of control and a resulting decline in the rating of the exchange notes below investment grade, each holder of the exchange notes will have the right to require us to repurchase such holder's exchange notes at the principal amount thereof, plus accrued and unpaid interest, if any, to the date of repurchase.
Form and denomination	The exchange notes will be issued in denominations of $1,000 and integral multiples of $1,000.
Governing law	The exchange notes and the indenture will be governed by New York law.
Ratings	The exchange notes are rated BBB+ by Standard & Poor's Ratings Service and Baa2 by Moody's Investor Service, Inc. Security ratings are not recommendations to buy, sell or hold the exchange notes. Ratings are subject to revision or withdrawal at any time by the rating agencies.
Rights under Registration Rights Agreement	If we fail to complete the exchange offer as required by the Registration Rights Agreement, we will be obligated to pay additional interest to holders of the outstanding notes. Please read "Registration Rights Agreement" beginning on page 42 for more information concerning your rights as a holder of outstanding notes.
Risk factors	See "Risk Factors" and the other information in this prospectus for a discussion of risk factors beginning on page 11.

RISK FACTORS

Your investment in the new exchange notes involves risks. You should carefully consider the following Risk Factors before deciding whether this investment is suitable for you.

Decreased oil and gas prices could adversely affect our revenues, cash flows and profitability. Our operations are materially dependent on prices received for our oil and gas production. Both short-term and long-term price trends affect the economics of exploring for, developing, producing, gathering and processing oil and gas. Oil and gas prices can be volatile. We sell most of our oil and gas at current market prices rather than through fixed-price contracts, although as discussed below, we frequently hedge the price of a significant portion of future production in the financial markets. The prices we receive depend upon factors beyond our control, which include:

-

weather conditions;

- the supply and price of foreign oil and gas;
- the level of consumer product demand;
- national and worldwide economic conditions;
- political conditions in foreign countries;
- the price and availability of alternative fuels;
- the proximity to and capacity of transportation facilities;
- energy conservation measures; and
- government regulations, such as regulation of natural gas transportation, royalties and price controls.

We believe that any prolonged reduction in oil and gas prices would depress our ability to continue the level of activity we otherwise would pursue, which could have a material adverse effect on our revenues, cash flows and results of operations.

We have significant transactions involving commodity price hedging. In order to protect ourselves to some extent against unusual price volatility and to lock in favorable pricing on oil and gas production, we periodically enter into commodity price derivatives contracts (hedging arrangements) with respect to a portion of our expected production. These contracts may at any time cover as much as 75% of our energy production. These contracts reduce exposure to subsequent price drops but can also limit our ability to benefit when commodity prices rise. Use of energy price hedges also exposes us to the risk of non-performance by a contract counter party. We carefully evaluate the financial strength of all contract counter parties but these parties might not be able to perform their obligations under the hedge arrangements. It is our policy that the use of commodity derivatives contracts be strictly confined to the price hedging of existing and forecast production, and we maintain a system of internal controls to assure there is no unauthorized trading or speculation on commodity prices. Unauthorized speculative trades could however occur that may expose us to substantial losses to cover a position in the contract.

We operate in a highly competitive industry, which may adversely affect our results of operations. The oil and gas exploration and production industry in which we operate is highly competitive. We compete with major oil companies, independent oil and gas businesses, and individual producers and operators, many of which have greater financial and other resources than we do. Industry members compete on both a national and regional basis for the acquisition of properties. Prices for production are dictated by national commodity markets and there is very little brand loyalty or distinction between competitors.

We must also compete for pipeline capacity to transport gas to our markets. The industry, as a whole, competes with other industries that supply energy to industrial, commercial and other consumers.

The nature of our operations presents inherent risks of loss that, if not insured or indemnified against, could adversely affect our results of operations. Our operations are subject to inherent hazards and risks such as:

- fires;
- natural disasters;
- explosions;
- formations with abnormal pressures;
- blowouts;
- collapses of wellbore, casing or other tubulars;
- pipeline ruptures; and
- spills.

Any of these events could cause a loss of hydrocarbons, environmental pollution, personal injury or death claims, damage to our properties or damage to the properties of others. As protection against operation hazards, we maintain insurance coverage against some, but not all, potential losses. Our coverages include:

- operator's extra expense;
- physical damage to certain assets;
- employer's liability;
- business interruption;
- comprehensive general liability;
- automobile; and

- workers' compensation.

Generally, the agreements that we execute with contractors provide for the division of responsibilities between the contractor and ourselves, and we seek to obtain an indemnification from the contractor for certain of these risks. To the extent we are unable to transfer such risks to the contractor, we seek protection through insurance that our management considers to be adequate. Such insurance or indemnification agreements may not adequately protect us against liability from all of the consequences of the hazards described above. The occurrence of an event not fully insured or indemnified against, or the failure of a contractor to meet its indemnification obligations, could result in substantial losses to us. In addition, insurance may not be available to cover any or all of these risks, or, even if available, it may not be adequate or insurance premiums or other costs may rise significantly in the future, so as to make such insurance prohibitively expensive.

We face many government regulations. Extensive federal, state and local regulation of the oil and gas industry significantly affects our operations. In particular, our oil and gas exploration, development and production, and our storage, transportation and processing of liquid hydrocarbons, are subject to stringent environmental regulations. These regulations delay and increase the cost of planning, designing, drilling, installing, operating and abandoning oil and gas wells and other related facilities. These regulations may become more demanding in the future.

We expend significant resources, both financial and managerial, to comply with environmental regulations and permitting requirements. We believe that our operations generally comply with applicable laws and regulations. Because of the nature of our business, we could be liable for personal injuries, property damage, oil spills, discharge of hazardous materials, remediation and clean-up cost and other environmental damages. We do not believe that full insurance coverage for all potential environmental damages is available at a reasonable cost. Failure to comply with these laws and regulations also may result in the suspension or termination of our operations and subject us to administrative, civil and criminal penalties. Moreover, these laws and regulations could change in ways that substantially increase our costs.

You should not place undue reliance on reserve information because such information represents estimates. Our estimates of proved oil and gas reserves and the future net cash flows from those reserves were prepared by independent petroleum engineers. Petroleum engineers consider many factors and make assumptions in estimating our oil and gas reserves and future net cash flows. These factors include:

- historical production from the area compared with production from other producing areas;
- the assumed effect of governmental regulation; and
- assumptions concerning oil and gas prices, production and development costs, severance and excise taxes, and capital expenditures.

Lower oil and gas prices generally cause lower estimates of proved reserves. Estimates of reserves and expected future cash flows prepared by different engineers, or by the same engineers at different times, may differ substantially. Ultimately, actual production, revenues and expenditures relating to our reserves will vary from any estimates, and these variations may be material. Accordingly, the accuracy of our reserve estimates is a function of the quality of available data and of engineering and geological interpretation and judgment. If conditions remain constant, then we are reasonably certain that our reserve estimates represent economically recoverable oil and gas reserves and future net cash flows. If conditions change in the future, then subsequent reserve estimates may be revised accordingly.

You should not assume that the present value of future net cash flows from our proved reserves is the current market value of our estimated oil and gas reserves. In accordance with Commission requirements, we base the estimated discounted future net cash flows from our proved reserves on prices and costs as of the date of the estimate. Actual future prices and costs may differ materially from those used in the net present value estimate.

There are many risks in drilling for oil and gas. Our drilling activities subject us to many risks, including the risk that we will not find commercially productive reservoirs. Drilling for oil and gas can be unprofitable, not only from dry wells, but from productive wells that do not produce sufficient revenues to return a profit. Also, title problems, weather conditions, governmental requirements and shortages or delays in the delivery of equipment and services can delay our drilling operations or result in their cancellation. The cost of drilling, completing and operating wells is often uncertain, and new wells may not be productive or we may not recover all or any portion of our investment.

We depend on certain key individuals. Our business is dependent, to a significant extent, upon the performance of certain key individuals, including Gary L. Nordloh, our President and CEO, and Charles B. Stanley, who was named to serve as Executive Vice President and COO effective January 31, 2002, and Keith O. Rattie, President and COO of Questar. (R. D. Cash, our Chairman and the Chairman and CEO of Questar has announced his retirement effective April 30, 2002. His announced retirement will not change his status as our Chairman and as Chairman of Questar.) The loss of services of these individuals could have a material adverse effect on us if we were not able to replace them with individuals who had comparable skills and experience.

As a holding company, we depend on our subsidiaries to meet our financial obligations. We are a holding company with no significant assets other than the stock of our subsidiaries. In order to meet our financial needs, we rely exclusively on repayments of principal and interest on intercompany loans made by us to our operating subsidiaries and income from dividends and other cash flow from the subsidiaries. Such operating subsidiaries may not generate sufficient net income to pay upstream dividends or cash flow to make payments of principal or interest on our intercompany loans. There are, however, no contractual or regulatory restrictions on the ability of our subsidiaries to pay dividends to us or repay intercompany debt and we have full discretion over receipt of dividends, intercompany loan repayments and receipt of other payments from our subsidiaries.

The absence of a public market for the exchange notes could limit a purchaser's ability to resell them. The notes are a new issue of securities with no established trading market. The Initial Purchasers may make a market in the exchange notes, but the Initial Purchasers will not be obligated to do so and may discontinue any market-making at any time without notice. Consequently, the liquidity of any secondary market for the exchange notes is uncertain. Even though we are filing a registration statement to complete an exchange offer for the outstanding notes under the Securities Act, but we can provide no assurance regarding the development of or liquidity of the trading market of the exchange notes thereafter.

We are dependent on bank credit facilities and continued access to capital markets to successfully execute our operating strategies. We rely primarily upon bank borrowing and intercompany loans from Questar to finance a material portion of our operating strategies. Questar has in turn relied upon its own

access to short-term commercial paper markets to make intercompany loans to us. We are dependent on these capital sources to provide capital to acquire and develop our properties. The availability and cost of these credit sources is cyclical and these capital sources may not remain available to us or we may not be able to obtain money at a reasonable cost in the future. All of our bank loans and short term loans from Questar are in the form of floating rate debt. From time to time we use interest rate derivatives to fix the rate on a portion of our variable rate debt. The interest rates on our bank loans are tied to our debt credit ratings published by Standard & Poor's and Moody's. A ratings down-grade could increase the interest cost of this debt and decrease future availability of money from banks and other sources. We believe it is important to maintain investment grade credit ratings to conduct our business, but we may not be able to keep investment grade ratings.

There is no promise of continuing relationships with Questar. We are a wholly-owned subsidiary of Questar and our goals and strategies are important to Questar. Questar, however, offers no explicit promise of continued ownership or of the availability of capital going forward. Our ability to receive future equity and debt capital from our parent also depends on Questar's ability to access capital markets on reasonable terms. We also benefit from business transactions with affiliated operating companies. Questar Gas Management and Wexpro have long-term agreements to gather and develop reserves owned by an affiliate, Questar Gas Company. All transactions are on an arm's-length basis or under contracts approved by regulatory agencies and the courts, but such business relationships may not continue in the future.

We have significant investment in Canadian oil and gas properties. We have significant foreign investment in Canada. In order to protect against foreign exchange translation losses on our Canadian investment, we attempt to borrow money in Canadian dollars, the value of which changes as the value of the Canadian assets change. We could however lose the continued availability of Canadian dollar debt. We are also exposed to foreign currency risk in the value of our income from these operations. For the present time this risk is reduced by our desire to reinvest the cash flows of the Canadian operation. In Canada we are also exposed to foreign laws, drilling and transportation constraints, business practices and markets that may be different from our experience in the United States. We believe we can reduce this risk by retaining competent local professionals with experience in Canadian

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operating and legal practices, but unexpected developments could expose us to risk of investment loss in Canada or qualified personnel might not be available to manage this investment.

The exchange notes are effectively subordinate to indebtedness of our subsidiaries. The exchange notes rank equally with our other unsecured debt, but are be considered subordinate to claims of creditors of our subsidiaries. At the present time we have no debt that would be considered senior to the exchange notes. The indenture does not contain any financial covenants or otherwise restrict the amount of indebtedness which we or our subsidiaries may incur. At the present time the only debt owed by our subsidiaries is debt that is either guaranteed by us or is intercompany debt owed to us as the parent, or to Questar on a subordinated basis.

We have credit triggers in some of our commodity price hedging contracts that could require the deposit of significant cash with hedge counter-parties if our credit ratings fall below investment grade. We have commodity price hedging contracts with several counter-parties. These contracts are used to protect us against volatility in the price received for natural gas and oil. In some contracts the amount of credit allowed before we must post collateral in out-of-the-money hedges varies depending on the credit rating of our senior debt. In cases where this arrangement exists, if our credit rating falls below investment grade (BBB-by Standard & Poor's or Baa3 by Moodys) counter-party credit generally falls to zero. Depending on market conditions and size of collateral requirements at the time of the collateral calls, we could have difficulty meeting collateral requirements.

Terrorist attacks, such as the attacks that occurred in New York, Pennsylvania and Washington, D.C. on September 11, 2001, and future war or risk of war may adversely impact our results of operations, our ability to raise capital and our future growth. The impact that the terrorist attacks of September 11, 2001 may have on our industry in general, and on us in particular, is not known at this time. Uncertainty surrounding retaliatory military strikes or a sustained military campaign may impact our operations in unpredictable ways, including disruptions of fuel or gas supplies and markets, particularly oil, and the possibility that infrastructure facilities, including pipelines, processing plants and storage facilities, could be direct targets of, or indirect casualties of, an act of terror. Terrorist activity may also hinder our ability to transport oil and gas if transportation facilities or pipelines become damaged as a result of an attack. In addition, war or risk of war may also have an adverse effect on the economy. A lower level of economic activity could result in a decline in energy consumption which could adversely affect our revenues or restrict our future growth. Instability in the financial markets as a result of terrorism or war could also affect our ability to raise capital. The September 11, 2001 attacks and additional terrorist activity could likely lead to increased volatility in prices for crude oil and natural gas and could affect the markets for drilling services. In addition, the insurance premiums charged for some or all of the coverages currently maintained could increase dramatically, or the coverages could be unavailable in the future.

USE OF PROCEEDS

We will not receive any cash proceeds from the issuance of the new exchange notes. In consideration for issuing the new exchange notes, we will receive in exchange a like principal amount of outstanding notes. The outstanding notes surrendered in exchange for the new exchange notes will be retired and canceled and cannot be reissued. Accordingly, issuance of the new exchange notes will not result in any change in our capitalization.

SELECTED CONSOLIDATED FINANCIAL DATA INCLUDING RATIO OF EARNINGS TO FIXED CHARGES

The following table sets forth selected financial data, reflecting for all periods shown our election to change our method of accounting for gas and oil activities from the full cost method to the successful efforts method in the third quarter of 2001. It also shows our pro forma results of operations for the year ended December 31, 2000 and nine months ended September 30, 2001 as if the SEI acquisition had occurred on January 1, 2000. You should read this table together with the Consolidated Financial Statements and the notes thereto included in our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2001, June 30, 2001, as modified by Amendment No. 1 in each case and September 30, 2001, in our 2000 Annual Report on Form 10-K as modified by Amendment No. 1 to Annual Report on Form 10-K/A, and in our Current Reports on Form 8-K, dated August 13 and October 12, 2001, all of which were filed with the Securities and Exchange Commission and are incorporated by reference in this prospectus. Pro forma information, information for the nine months ended September 30, 2000 and 2001, and information for the year ended December 31, 1996 are not audited.

	For the Nine Months		For the Years Ended December 31,	

	Ended September 30,								
	Pro Forma 2001(3)	2001	2000	Pro Forma 2000(3)	2000	1999	1998	1997	1996
	(In Thousands, Except Ratio Data)								
Selected Income Statement Data:									
Revenues	$ 637,085	$ 588,927	$ 494,365	$ 785,872	$ 742,053	$ 498,311	$ 458,272	$ 523,640	$ 484,080
Operating expenses	489,403	458,619	408,127	644,076	613,893	428,612	416,134	478,418	413,911
Operating income	147,682	130,308	86,238	141,796	128,160	69,699	42,138	45,222	70,169
Other income	5,117	13,869	8,468	10,455	11,188	9,035	1,527	8,380	(2,546)
Debt expense	(29,132)	(16,346)	(17,573)	(51,100)	(22,922)	(17,363)	(12,631)	(10,882)	(8,699)
Income tax expense	(44,219)	(45,801)	(25,463)	(32,911)	(38,618)	(17,483)	(4,886)	(6,786)	(14,608)
Income from continuing operations	79,448	82,030	51,670	68,240	77,808	43,888	26,148	35,934	44,316
Loss from discontinued operations	—	—	—	—	—	—	(563)	(1,021)	(322)
Net income	$ 79,448	$ 82,030	$ 51,670	$ 68,240	$ 77,808	$ 43,888	$ 25,585	$ 34,913	$ 43,994
Other Financial Data:									
Adjusted EBITDA(1)	$ 232,658	$ 212,528	$ 162,066	$ 252,680	$ 227,791	$ 159,297	$ 123,676	$ 134,994	$ 117,822
Ratio of earnings to fixed charges(2)	5.01	8.38	5.22	2.93	5.88	4.37	3.33	4.77	7.48
Cash Dividends paid to Questar	$ 12,975	$ 12,975	$ 12,975	$ 17,300	$ 17,300	$ 16,600	$ 15,900	$ 16,325	$ 14,500

	At September 30,			At December 31,					
	Pro Forma 2001(3)	2001	2000	Pro Forma 2000(3)	2000	1999	1998	1997	1996
	(In Thousands)								
Selected Balance Sheet Data:									
Total assets	$ 1,422,081	$ 1,422,081	$ 891,471	$ 1,463,251	$ 977,918	$ 794,628	$ 765,401	$ 630,545	$ 637,645
Short-term debt	314,600	314,600	43,200	63,500	63,500	24,500	121,800	44,300	78,500
Long-term debt	321,957	321,957	253,894	647,331	244,377	264,894	181,624	133,387	120,000
Common equity	505,646	505,646	398,112	411,563	418,511	356,505	330,432	319,009	301,280

(1) As used in this prospectus, Adjusted EBITDA means earnings before interest (debt expense),income taxes, depreciation, depletion and amortization, and the impairment of oil and gas properties. Adjusted EBITDA is not a calculation based upon accounting principles generally accepted in the United States. Adjusted EBITDA should not be considered as an alternative to net income as an indicator of our operating performance, or as an alternative to cash flow as a better measure of liquidity. Adjusted EBITDA presented in this prospectus may not be comparable to other similarly titled measures reported by other companies. In evaluating Adjusted EBITDA, we believe that investors should consider, among other things, the amount by which Adjusted EBITDA exceeds interest expense, how Adjusted EBITDA compares to principal repayments on debt and how Adjusted EBITDA compares to capital expenditures for each period. Investors should avoid undue reliance on Adjusted EBITDA because it may not reflect significant trends otherwise important to an investor. In addition, we may have other functional or legal requirements that may require the conservation of funds for other uses such that the amount reported as Adjusted EBITDA may not be available for debt service.

(2) For purposes of this presentation, earnings represent income from continuing operations before income taxes and fixed charges for the applicable nine or twelve month-ended period. Fixed charges consist of total interest charges and amortization of debt issuance costs and the interest portion of rental costs (which is estimated at 50%) for the applicable nine or twelve month- ended period. The unaudited pro forma financial information presented for the nine month period ended September 30, 2001 and the year ended December 31, 2000 gives effect to our acquisition of SEI as if the purchase had occurred on January 1, 2000. The ratio of earnings to fixed charges was negatively affected by write downs of our investment in oil and gas properties in 1998.

(3) Unaudited pro forma combined financial information presented here gives effect to our acquisition of SEI. The transaction was accounted for as a purchase business combination in accordance with accounting principles generally accepted in the United States. The pro forma information does do not reflect any operating efficiencies and cost savings which may be achievable with respect to the acquisition of SEI. The income statement data for the year ended December 31, 2000 and nine months ended September 30, 2001 assume that the acquisition was made on January 1, 2000. The balance sheet data assume that the acquisition was made on December 31, 2000. The unaudited pro forma combined financial information is not necessarily indicative of the results of operations or the financial position that would have occurred had the acquisition been consummated at the beginning of the earliest period presented, nor is it indicative of future results of operations or financial position.

CAPITALIZATION

The following table sets forth our capitalization on a consolidated basis as of September 30, 2001 and as adjusted to reflect the sale of the outstanding notes, which will be replaced by the exchange notes. For additional information, you should refer to our consolidated financial statements, including the notes to such financial statements, incorporated by reference herein. See "Where You Can Find Additional Information."

	As of September 30, 2001			
	Actual	Note Offering	As Adjusted	As Adjusted Percentage
	(In Thousands)			
Short-term debt:				
Intercompany debt owed Questar	$ 254,600	$ (140,000)	$ 114,600	
SEI acquisition bridge loan	60,000	(60,000)	—	
Total short-term debt	314,600	(200,000)	114,600	10.0%
Long-term debt:				
Bank term debt	171,957	—	171,957	
7 1/2% Notes due 2011	150,000	—	150,000	
7% Notes due 2007 to be exchanged for 7% Exchange Notes due 2007	—	200,000	200,000	
Total long-term debt	321,957	200,000	521,957	45.7%

Common shareholder's equity	505,646	505,646	44.3%
Total capitalization	$ 1,142,203	$ 1,142,203	100.0%

THE EXCHANGE OFFER

Purpose and Effect of the Exchange Offer

We entered into a registration rights agreement with the Initial Purchasers of the outstanding notes in which we agreed to file a registration statement relating to an offer to exchange the outstanding notes for new exchange notes within 60 days of the issuance of the outstanding notes which was on January 16, 2002. We also agreed to use our reasonable best efforts to cause the Commission to declare the registration statement effective under the Securities Act no later than 180 days after the notes were issued and to complete the exchange offer no later than 45 days after the registration statement becomes effective. We are offering the new exchange notes under this prospectus to satisfy our obligations under the registration rights agreement.

Under limited circumstances, we will use our reasonable best efforts to cause the Commission to declare effective a shelf registration statement with respect to the resale of the outstanding notes and keep the shelf registration statement effective for up to two years after the effective date of the shelf registration statement. These circumstances include:

- if any changes in law or applicable interpretations by the staff of the Commission do not permit us to effect the exchange offer as contemplated by the registration rights agreement;
- if the exchange offer is not declared effective within 180 days after January 16, 2002 or the exchange offer is not consummated within 45 days after the registration statement is declared effective;
- at the request of any Initial Purchaser of the outstanding notes, made within 90 days after the consummation of the exchange offer, with respect to notes not eligible to be exchanged in the exchange offer and held by it following the consummation of the exchange offer, or
- If a holder of outstanding notes is not permitted to participate in the exchange offer or does not receive fully tradeable exchange notes pursuant to the exchange offer.

If we fail to comply with deadlines for registering the issuance of the new exchange notes and completion of the exchange offer, we will be required to pay additional interest to holders of the outstanding notes. Please read the section captioned "Registration Rights Agreement" for more details regarding the registration rights agreement.

To exchange an outstanding note for transferable new exchange notes in the exchange offer, the holder of that outstanding note will be required to make the following representations:

- any new exchange note the holder receives will be acquired in the ordinary course of its business;
- the holder has no arrangement with any person to participate in the distribution of the new exchange notes;
- the holder is not our "affiliate," as defined in Rule 405 of the Securities Act, nor a broker-dealer tendering outstanding notes acquired directly from us for its own account;
- if the holder is not a broker-dealer, that holder is not engaged in and does not intend to engage in the distribution of the new exchange notes;
- if the holder is a broker-dealer that will receive new exchange notes for its own account in exchange for outstanding notes that were acquired as a result of market-making activities, that holder will deliver a prospectus, as required by law, in connection with any resale of such new exchange notes; and

- the holder is not acting on behalf of any person that could not truthfully make the foregoing representations.

Resale of New Exchange Notes

Based on interpretations of the Commission staff in no action letters issued to third parties, we believe that each new exchange note issued under the exchange offer may be offered for resale, resold and otherwise transferred by the holder of that new exchange note without compliance with the registration and prospectus delivery provisions of the Securities Act if:

- the holder is not the Company's "affiliate" within the meaning of Rule 405 under the Securities Act;
- such new exchange note is acquired in the ordinary course of the holder's business; and
- the holder does not intend to participate in the distribution of new exchange notes.

If a holder of outstanding notes tenders in the exchange offer with the intention of participating in any manner in a distribution of the new exchange notes, that holder

- cannot rely on such interpretations by the Commission staff; and
- must comply with the registration and prospectus delivery requirements of the Securities Act in connection with a secondary resale transaction.

Unless an exemption from registration is otherwise available, any security holder intending to distribute new exchange notes should be covered by an effective registration statement under the Securities Act containing the selling security holder's information required by Item 507 of Regulation S-K under the Securities Act. This prospectus may be used for an offer to resell, resale or other retransfer of new exchange notes only as specifically described in this prospectus. Only broker-dealers that acquired the outstanding notes as a result of marketmaking activities or other trading activities may participate in the exchange offer. Please read the section captioned "Plan of Distribution" for more details regarding the transfer of new exchange notes.

Terms of the Exchange Offer

Upon the terms and subject to the conditions described in this prospectus and in the letter of transmittal, we will accept for exchange any outstanding notes properly tendered and not withdrawn prior to the expiration date. We will issue $1,000 principal amount of new exchange notes in exchange for each $1,000 principal amount of outstanding notes surrendered under the exchange offer. Outstanding notes may be tendered only in integral multiples of $1,000.

The exchange offer is not conditioned upon any minimum aggregate principal amount of outstanding notes being tendered for exchange.

As of the date of this prospectus, $200 million aggregate principal amount of the notes are outstanding. This prospectus and the letter of transmittal are being sent to all registered holders of outstanding notes. There will be no fixed record date for determining registered holders of outstanding notes entitled to participate in the exchange offer.

We intend to conduct the exchange offer in accordance with the provisions of the registration rights agreement, the applicable requirements of the Securities Act and the Exchange Act and the rules and regulations of the Commission. Outstanding notes that are not tendered for exchange in the exchange offer will remain outstanding and continue to accrue interest and will be entitled to the rights and benefits such holders have under the indenture relating to the outstanding notes and the registration rights agreement.

We will be deemed to have accepted for exchange properly tendered outstanding notes when we have given oral or written notice of the acceptance to the exchange agent and complied with the applicable provisions of the registration rights agreement. The exchange agent will act as agent for the tendering holders for the purposes of receiving the new exchange notes from us.

Holders tendering outstanding notes in the exchange offer will not be required to pay brokerage commissions or fees or, subject to the instructions in the letter of transmittal, transfer taxes with respect to the exchange of outstanding notes. We will pay all charges and expenses, other than certain applicable taxes described below, in connection with the exchange offer. It is important for note holders to read the section labeled "Fees and Expenses" for more details regarding fees and expenses incurred in the exchange offer.

We will return any outstanding notes that we do not accept for exchange for any reason without expense to the tendering holder as promptly as practicable after the expiration or termination of the exchange offer.

Expiration Date

The exchange offer will expire at 5:00 p.m., New York City time, on [ ], 2002, unless in our sole discretion, we extend the deadline.

Extensions, Delay in Acceptance, Termination or Amendment

We expressly reserve the right, at any time or at various times, to extend the period of time during which the exchange offer is open. During any such extensions, all outstanding notes previously tendered will remain subject to the exchange offer, and we may accept them for exchange.

In order to extend the exchange offer, we will notify the exchange agent orally or in writing of any extension. We will also make a public announcement of the extension no later than 9:00 a.m., New York City time, on the next business day after the previously scheduled expiration date.

If any of the conditions described below under "—Conditions to the Exchange Offer" have not been satisfied, we reserve the right, in our sole discretion, to delay accepting for exchange any outstanding notes or to extend the exchange offer or to terminate the exchange offer by giving oral or written notice of such delay, extension or termination to the exchange agent. Subject to the terms of the registration rights agreement, we also reserve the right to amend the terms of the exchange offer in any manner.

Any such delay in acceptance, extension, termination or amendment will be followed as promptly as practicable by oral or written notice thereof to the registered holders of outstanding notes. If we amend the exchange offer in a manner that we determine to constitute a material change, we will promptly disclose such amendment by means of a prospectus supplement. The supplement will be distributed to the registered holders of the outstanding notes. Depending upon the significance of the amendment and the manner of disclosure to the registered holders, we will extend the exchange offer if the exchange offer would otherwise expire during such period.

Without limiting the manner in which we may choose to make public announcements of any delay in acceptance, extension, termination or amendment of the exchange offer, we will have no obligation to publish, advertise, or otherwise communicate any such public announcement, other than by making a timely release to the Dow Jones News Service.

Conditions to the Exchange Offer

Despite any other term of the exchange offer, we will not be required to accept for exchange, or exchange any new exchange notes for, any outstanding notes, and we may terminate the exchange offer

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as provided in this prospectus before accepting any outstanding notes for exchange, if in our reasonable judgment the exchange offer, or the making of any exchange by a holder of outstanding notes, would violate applicable law or any applicable interpretation of the staff of the Commission.

In addition, we will not be obligated to accept for exchange the outstanding notes of any holder that has not made to us (1) the representations described under "—Purpose and Effect of the Exchange Offer," "—Procedures for Tendering" and "Plan of Distribution" and (2) such other representations as may be reasonably necessary under applicable Commission rules, regulations or interpretations to make available to us an appropriate form for registration of the new exchange notes under the Securities Act.

We expressly reserve the right to amend or terminate the exchange offer, and to reject for exchange any outstanding notes not previously accepted for exchange, upon the occurrence of any of the conditions to the exchange offer specified above. We will give oral or written notice of any extension, amendment, non-acceptance or termination to the holders of the outstanding notes as promptly as practicable.

These conditions are for our sole benefit and we may assert them or waive them in whole or part at any time or at various times in our sole discretion. If we fail at any time to exercise any of these rights, this failure will not mean that we have waived our rights. Each such right will be deemed an ongoing right that we may assert at any time or at various times.

In addition, we will not accept for exchange any outstanding notes tendered, and will not issue new exchange notes in exchange for any such outstanding notes, if at such time any stop order has been threatened or is in effect with respect to the registration statement of which this prospectus constitutes a part or the qualification of the indenture relating to the notes under the Trust Indenture Act of 1939.

Procedures for Tendering

How to Tender Generally

Only a holder of outstanding notes may tender such outstanding notes in the exchange offer. To tender in the exchange offer, a holder must:

- complete, sign and date the letter of transmittal, or a facsimile of the letter of transmittal; have the signature on the letter of transmittal guaranteed if the letter of transmittal so requires; and mail or deliver such letter of transmittal or facsimile to the exchange agent prior to the expiration date; or

- comply with the automated tender offer program procedures of The Depository Trust Company ("DTC"), described below.

In addition, either:

- the exchange agent must receive outstanding notes along with the letter of transmittal;

- the exchange agent must receive, prior to the expiration date, a timely confirmation of book-entry transfer of such outstanding notes into the exchange agent's account at DTC according to the procedure for book-entry transfer described below or a properly transmitted agent's message; or

- the holder must comply with the guaranteed delivery procedures described below.

To be tendered effectively, the exchange agent must receive physical delivery of the letter of transmittal and other required documents at its address provided above under "Prospectus Summary—The Exchange Agent" prior to the expiration date.

The tender by a holder that is not withdrawn prior to the expiration date will constitute an agreement between the holder and the Company in accordance with the terms and subject to the conditions described in this prospectus and in the letter of transmittal.

The method of delivery of outstanding notes, the letter of transmittal and all other required documents to the exchange agent is at the holder's election and risk. Rather than mail these items, we recommend that holders use an overnight or hand delivery service. In all cases, holders should allow sufficient time to assure delivery to the exchange agent before the expiration date. Holders should not send the letter of transmittal or outstanding notes to the Company. Holders may request their brokers, dealers, commercial banks, trust companies or other nominees to effect the above transactions for you.

How to Tender—Beneficial Owners

Beneficial owners of outstanding notes that are registered in the name of a broker, dealer, commercial bank, trust company or other nominee wishing to tender those notes should contact the registered holder promptly and instruct it to tender on the beneficial owner's behalf. Beneficial owners who wish to tender on their own behalf must, prior to completing and executing the letter of transmittal and delivering their outstanding notes, either:

- make appropriate arrangements to register ownership of the outstanding notes in their name; or

- obtain a properly completed bond power from the registered holder of outstanding notes.

The transfer of registered ownership may take considerable time and may not be completed prior to the expiration date.

Signatures and Signature Guarantees

Holders of outstanding notes must have signatures on a letter of transmittal or a notice of withdrawal described below guaranteed by a member firm of a registered national securities exchange or of the National Association of Securities Dealers, Inc., a commercial bank or trust company having an office or correspondent in the United States, or an "eligible guarantor institution" within the meaning of Rule 17Ad-15 under the Exchange Act, that is a member of one of the recognized signature guarantee programs identified in the letter of transmittal, unless the outstanding notes are tendered:

- by a registered holder who has not completed the box entitled "Special Issuance Instructions" or "Special Delivery Instructions" on the letter of transmittal and the new exchange notes are being issued directly to the registered holder of the outstanding notes tendered in the exchange for those new exchange notes; or

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for the account of a member firm of a registered national securities exchange or of the National Association of Securities Dealers, Inc., a commercial bank or trust company having an office or correspondent in the United States, or an eligible guarantor institution.

When Endorsements or Bond Powers are Needed

If the letter of transmittal is signed by a person other than the registered holder of any outstanding notes, the outstanding notes must be endorsed or accompanied by a properly completed bond power. The bond power must be signed by the registered holder as the registered holder's name appears on the outstanding notes and a member firm of a registered national securities exchange or of the National Association of Securities Dealers, Inc., a commercial bank or trust company having an office or correspondent in the United States, or an eligible guarantor institution must guarantee the signature on the bond power.

If the letter of transmittal or any outstanding notes or bond powers are signed by trustees, executors, administrators, guardians, attorneys-in-fact, officers of corporations or other acting in a fiduciary or representative capacity, those persons should so indicate when signing. Unless waived by the Company, they should also submit evidence satisfactory to us of their authority to deliver the letter of transmittal.

Tendering Through DTC's Automated Tender Offer Program

The exchange agent and DTC have confirmed that any financial institution that is a participant in DTC's system may use DTC's automated tender offer program to tender. Participants in the program may, instead of physically completing and signing the letter of transmittal and delivering it to the exchange agent, transmit their acceptance of the exchange offer electronically. They may do so by causing DTC to transfer the outstanding notes to the exchange agent in accordance with its procedures for transfer. DTC will then send an agent's message to the exchange agent.

The term "agent's message" means a message transmitted by DTC, received by the exchange agent and forming part of the book-entry confirmation, to the effect that:

- DTC has received an express acknowledgment from a participant in its automated tender offer program that is tendering outstanding notes that are the subject of such book-entry confirmation;
- such participant has received and agrees to be bound by the terms of the letter of transmittal or, in the case of an agent's message relating to guaranteed delivery, that such participant has received and agrees to be bound by the applicable notice of guaranteed delivery; and
- the agreement may be enforced against such participant.

Determinations Under the Exchange Offer

We will determine in our sole discretion all questions as to the validity, form, eligibility, time of receipt, acceptance of tendered outstanding notes and withdrawal of tendered outstanding notes. Our determination will be final and binding. We reserve the absolute right to reject any outstanding notes not properly tendered or any outstanding notes our acceptance of which would, in the opinion of our counsel, be unlawful. We also reserve the right to waive any defects, irregularities or conditions of tender as to particular outstanding notes. Our interpretation of the terms and conditions of the exchange offer, including the instructions in the letter of transmittal, will be final and binding on all parties. Unless waived, any defects or irregularities in connection with tenders of outstanding notes must be cured within such time as we shall determine. Neither the Company, the exchange agent nor any other person will be under any duty to give notification of defects or irregularities with respect to tenders of outstanding notes, and they will incur no liability for failure to give such notification. Tenders of outstanding notes will not be deemed made until such defects or irregularities have been cured or waived. Any outstanding notes received by the exchange agent that are not properly tendered and as to which the defects or irregularities have not been cured or waived will be returned to the tendering holder, unless otherwise provided in the letter of transmittal, as soon as practicable following the expiration date.

When the Company Will Issue New Exchange Notes

In all cases, we will issue new exchange notes for outstanding notes that we have accepted for exchange under the exchange offer only after the exchange agent timely receives:

- outstanding notes or a timely book-entry confirmation of such;
- outstanding notes into the exchange agent's account at DTC; and

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- a properly completed and duly executed letter of transmittal and all other required documents or a properly transmitted agent's message.

Return of Outstanding Notes Not Accepted or Exchanged

If we do not accept any tendered outstanding notes for exchange for any reason described in the terms and conditions of the exchange offer or if outstanding notes are submitted for a greater principal amount than the holder desires to exchange, the unaccepted or non-exchanged outstanding notes will be returned without expense to their tendering holder. In the case of outstanding notes tendered by book-entry transfer into the exchange agent's account at DTC according to the procedures described below, such non-exchanged outstanding notes will be credited to an account maintained with DTC. These actions will occur as promptly as practicable after the expiration or termination of the exchange offer.

Representations to the Company

Each holder, by signing or agreeing to be bound by the letter of transmittal, will represent to us that, among other things:

- any new exchange notes that the holder receives will be acquired in the ordinary course of its business;
- the holder has no arrangement or understanding with any person or entity to participate in the distribution of the new exchange notes;

- the holder is not the Company's "affiliate," as defined in Rule 405 of the Securities Act, or, if the holder is an affiliate of the Company, that the holder will comply with any applicable registration and prospectus delivery requirements of the Securities Act;
- if the holder is not a broker-dealer, that the holder is not engaged in and does not intend to engage in the distribution of the new exchange notes;
- if the holder is a broker-dealer that will receive new exchange notes for its own account in exchange for outstanding notes that were acquired as a result of market-making activities, that the holder will deliver a prospectus, as required by law, in connection with any resale of such new exchange notes; and
- that the holder is not acting on behalf of any person who could not truthfully make the foregoing representation.

Book-Entry Transfer

The exchange agent will make a request to establish an account with respect to the outstanding notes at DTC for purposes of the exchange offer promptly after the date of this prospectus. Any financial institution participating in DTC's system may make book-entry delivery of outstanding notes by causing DTC to transfer such outstanding notes into the exchange agent's account at DTC in accordance with DTC's procedures for transfer. Holders of outstanding notes who are unable to deliver confirmation of the book-entry tender of their outstanding notes into the exchange agent's account at DTC or all other documents required by the letter of transmittal to the exchange agent on or prior to the expiration date must tender their outstanding notes according to the guaranteed delivery procedures described below.

Guaranteed Delivery Procedures

Any holder wishing to tender its outstanding notes but whose outstanding notes are not immediately available or who cannot deliver its outstanding notes, the letter of transmittal or any other

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required documents to the exchange agent or comply with the applicable procedures under DTC's automated tender offer program prior to the expiration date may tender if:

- the tender is made through a member firm of a registered national securities exchange of the National Association of Securities Dealers, Inc., a commercial bank or trust company having an office or correspondent in the United States, or an eligible guarantor institution;
- prior to the expiration date, the exchange agent receives from such member firm of a registered national securities exchange or of the National Association of Securities Dealers, Inc., commercial bank or trust company having an office or correspondent in the United States, or eligible guarantor institution either a properly completed and duly executed notice of guaranteed delivery by facsimile transmission, mail or hand delivery or a properly transmitted agent's message and notice of guaranteed delivery:
    - setting forth the holder's name and address, the registered number(s) of the holder's outstanding notes and the principal amount of outstanding notes tendered;
    - stating that the tender is being made thereby;
    - guaranteeing that, within five business days after the expiration date, the letter of transmittal or facsimile thereof, together with the outstanding notes or a book-entry confirmation, and any other documents required by the letter of transmittal will be deposited by the eligible guarantor institution with the exchange agent; and
    - the exchange agent receives such properly completed and executed letter of transmittal or facsimile thereof, as well as all tendered outstanding notes in proper form for transfer or a book-entry confirmation, and all other documents required by the letter of transmittal, within five business days after the expiration date.

Withdrawal of Tenders

Except as otherwise provided in this prospectus, any holder may withdraw its tender at any time prior to 5:00 p.m., New York City time, on the expiration date (unless previously accepted for exchange).

For a withdrawal to be effective:

- the exchange agent must receive a written notice of withdrawal at one of the addresses listed above under "Prospectus Summary—The Exchange Agent" or
- the withdrawing holder must comply with the appropriate procedures of DTC's automated tender offer program system.

Any notice of withdrawal must:

- specify the name of the person who tendered the outstanding notes to be withdrawn (the "Depositor");
- identify the outstanding notes to be withdrawn, including the registration number or numbers and the principal amount of such outstanding notes;
- be signed by the Depositor in the same manner as the original signature on the letter of transmittal used to deposit those outstanding notes (or be accompanied by documents of transfer sufficient to permit the trustee for the outstanding notes to register the transfer into the name of the

Depositor withdrawing the tender); and

- specify the name in which such outstanding notes are to be registered, if different from that of the Depositor.

If outstanding notes have been tendered under the procedure for book-entry transfer described above, any notice of withdrawal must specify the name and number of the account at DTC to be credited with the withdrawn outstanding notes and otherwise comply with the procedures of DTC.

We will determine all questions as to the validity, form, eligibility and time of receipt of notice of withdrawal, and our determination shall be final and binding on all parties. We will deem any outstanding notes so withdrawn not to have been validly tendered for exchange for purposes of the exchange offer.

Any outstanding notes that have been tendered for exchange but that are not exchanged for any reason will be returned to their holder without cost to the holder or, in the case of outstanding notes tendered by book-entry transfer into the exchange agent's account at DTC according to the procedures described above, such outstanding notes will be credited to an account maintained with DTC for the outstanding notes. This return or crediting will take place as soon as practicable after withdrawal, rejection of tender or termination of the exchange offer. Holders may retender properly withdrawn outstanding notes by following one of the procedures described under "—Procedures for Tendering" above at any time on or prior to the expiration date.

Fees and Expenses

We will bear the expenses of soliciting tenders. The principal solicitation is being made by mail; however, we may make additional solicitation by facsimile, telephone or in person by our officers and regular employees and those of our affiliates.

We have not retained any dealer-manager in connection with the exchange offer and will not make any payments to broker-dealers or others soliciting acceptances of the exchange offer. We will, however, pay the exchange agent reasonable and customary fees for its services and reimburse it for its related reasonable out-of-pocket expenses. We may also pay brokerage houses and other custodians, nominees and fiduciaries the reasonable out-of-pocket expenses incurred by them in forwarding copies of this prospectus, letters of transmittal and related documents to the beneficial owners of the outstanding notes and in handling or forwarding tenders for exchange.

We will pay the cash expenses to be incurred in connection with the exchange offer. They include:

- registration fees;
- fees and expenses of the exchange agent and trustee;
- accounting and legal fees and printing costs; and
- related fees and expenses.

Transfer Taxes

We will pay all transfer taxes, if any, applicable to the exchange of outstanding notes under the exchange offer. The tendering holder, however, will be required to pay any transfer taxes, whether imposed on the registered holder or any other person, if:

- certificates representing outstanding notes for principal amounts not tendered or accepted for exchange are to be delivered to, or are to be issued in the name of, any person other than the registered holder of outstanding notes tendered;
- tendered outstanding notes are registered in the name of any person other than the person signing the letter of transmittal; and
- a transfer tax is imposed for any reason other than the exchange of outstanding notes under the exchange offer.

If satisfactory evidence of payment of any transfer taxes payable by a note holder is not submitted with the letter of transmittal, the amount of such transfer taxes will be billed directly to that tendering holder.

Consequences of Failure to Exchange

Holders who do not exchange their outstanding notes for new exchange notes under the exchange offer will remain subject to the existing restrictions on transfer of the outstanding notes.

In general, such a holder may not offer or sell the outstanding notes unless they are registered under the Securities Act, or if the offer or sale is exempt from registration under the Securities Act and applicable state securities laws. Except as required by the registration rights agreement, we do not intend to register resales of the outstanding notes under the Securities Act. Based on interpretations of the Commission staff, holders may offer for resale, resell or otherwise transfer new exchange notes issued in the exchange offer without compliance with the registration and prospectus delivery provisions of the Securities Act, if (1) they are not our "affiliate" within the meaning of Rule 405 under the Securities Act, (2) they acquired the new exchange notes in the ordinary course of their business and (3) they have no arrangement or understanding with respect to the distribution of the new exchange notes to be acquired in the exchange offer. If a holder tenders in the exchange offer for the purpose of participating in a distribution of the new exchange notes, it:

- cannot rely on the applicable interpretations of the Commission; and
- must comply with the registration and prospectus delivery requirements of the Securities Act in connection with a secondary resale transaction.

Accounting Treatment

No gain or loss for accounting purposes will be recognized by the Company upon the consummation of the exchange offer. The expenses of the exchange offer will be amortized by us over the term of the new exchange notes under accounting principles generally accepted in the United States.

Other

Participation in the exchange offer is voluntary, and holders of outstanding notes should carefully consider whether to tender. Those holders are urged to consult their financial and tax advisors in making their own decision on what action to take.

We may in the future seek to acquire untendered outstanding notes in open market or privately negotiated transactions, through subsequent exchange offers or otherwise. We have no present plans to acquire any outstanding notes that are not tendered in the exchange offer or to file a registration statement to permit resales of any untendered outstanding notes.

DESCRIPTION OF THE EXCHANGE NOTES

General

The exchange notes will be issued and the outstanding notes were issued pursuant to an indenture dated March 1, 2001, between us, as issuer, and Bank One N.A., as trustee (the "indenture").

The following description is only a summary of the material provisions of the indenture. We urge you to read the indenture because it, and not this description, defines your rights as holders of the exchange notes. A copy of the indenture is available upon request made to us or to the initial purchasers. (The Initial Purchasers are Banc of America Securities LLC, Merrill Lynch Pierce, Fenner & Smith Incorporated, Banc One Capital Markets, Inc., U.S. Bancorp Piper Jaffray, A. G. Edwards & Sons, Inc., First Albany Corporation, Petrie Parkman & Co., TD Securities, and Wachovia Securities.) Terms not otherwise defined below will have the meanings assigned to them in the indenture. When we refer to securities, we refer to all debt securities that we have issued or may issue in the future under the indenture, including the exchange notes.

Ranking

In addition to the exchange notes registered by this prospectus, the indenture provides for the issuance of additional securities in one or more series, without limitation as to aggregate principal amount. The claims of creditors of our subsidiaries will have priority over the claims of holders of these exchange notes. At the present time we have no debt that would be considered senior to these exchange notes. The exchange notes will be our unsecured obligations and will rank equally with our other unsecured and unsubordinated indebtedness from time to time outstanding. Other than a limitation on liens covenant, the indenture does not contain restrictive covenants which would require us to maintain certain financial ratios or restrict our ability to incur additional indebtedness. The covenants contained in the indenture would not necessarily afford holders of the exchange notes protection if a highly-leveraged transaction involving us were to adversely affect holders.

We are a subholding company of Questar and our only material asset is the capital stock of our subsidiaries. Our operations are conducted through our subsidiaries and our cash flow will be derived principally from dividends on the capital stock of our subsidiaries.

Denominations and Interest

We issued initially outstanding notes in an aggregate principal amount of $200,000,000 that will mature on January 16, 2007. We, from time to time, without the consent of the holders of the notes, may reopen this series and issue additional notes. The exchange notes will be issued in fully registered form in denominations of $1,000 and any amount which is an integral multiple of $1,000.

Interest at the annual rate for the exchange notes set forth on the cover page of this prospectus is payable semi-annually on March 1 and September 1 of each year, commencing March 1, 2002. We will make each interest payment to the persons who are registered holders of the notes at the close of business on the preceding February 15 and August 15, respectively. Interest will be computed on the basis of a 360-day year of twelve months of 30 days each. Interest began to accrue on January 16, 2002. If any interest payment date, maturity date or redemption date falls on a day that is not a business day, the payment will be made on the next business day and no interest will accrue for the period from and after such interest payment date, maturity date or redemption date.

Optional Redemption

The exchange notes may be redeemed in whole or in part at our option at any time or from time to time upon not less than 30 nor more than 60 days' notice at a redemption price equal to the greater of (i) 100% of the principal amount of the exchange notes to be redeemed or (ii) the sum of the

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present values of the remaining scheduled payments of principal and interest on the exchange notes to be redeemed (not including any portion of such payments of interest accrued as of the redemption date) discounted to the redemption date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate plus 50 basis points, plus in each case accrued interest on the exchange notes to the date of redemption (provided that interest payments due on or prior to the redemption date will be paid to the record holders of such exchange notes on the relevant record date).

"Treasury Rate" means, with respect to any redemption date, the rate per year equal to the semi-annual equivalent yield to maturity or interpolated (on a day count basis) of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption date.

"Comparable Treasury Issue" means the United States Treasury security or securities selected by an Independent Investment Banker as having an actual or interpolated (on a day count basis) maturity comparable to the remaining term of the notes to be redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of a comparable maturity to the remaining term of the notes.

"Independent Investment Banker" means one of the Reference Treasury Dealers appointed by the trustee after consultation with us.

"Comparable Treasury Price" means, with respect to any redemption date, (a) the average of the Reference Treasury Dealer Quotations for such redemption date, after excluding the highest and lowest such Reference Treasury Dealer Quotations, or (b) if the trustee obtains fewer than four such Reference Treasury Dealer Quotations, the average of all such quotations.

"Reference Treasury Dealer Quotations" means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by the trustee, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the trustee by such Reference Treasury Dealer at 3:30 p.m. New York time on the third business day in The City of New York preceding such redemption date.

"Reference Treasury Dealer" means at least five primary U.S. Government securities dealers in The City of New York as we shall select.

Unless we default in payment of the redemption price, on and after the redemption date interest will cease to accrue on the exchange notes or portions thereof called for redemption. If less than all of the exchange notes are to be redeemed, the trustee will select the exchange notes to be redeemed by such method as the trustee shall deem fair and appropriate.

Mandatory Redemption; Sinking Fund

There is no sinking fund or mandatory redemption obligation applicable to the exchange notes.

Book-Entry System

The exchange notes will be issued in the form of a single global security. The exchange notes will be deposited with the trustee as custodian for DTC on behalf of DTC and for so long as DTC or its nominee is the registered owner of the notes, DTC or its nominee, as the case may be, will be considered the sole holder of the exchange notes for all purposes under the indenture. Except as set forth below, a security may not be transferred except as a whole by DTC to a nominee of DTC or by a nominee of DTC.

Upon our issuance of the exchange notes, DTC or its nominee will credit the accounts of persons holding through it on its book-entry registration and transfer system with the respective principal

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amounts of the exchange notes represented by the global security. The accounts to be credited will be designated by the applicable Initial Purchaser of such notes. Ownership of beneficial interests in the global security will be limited to persons who have accounts with DTC, called participants, or persons that hold interests through participants. Ownership of beneficial interests by participants in the global security will be shown on, and the transfer of that ownership will be effected only through, records maintained by DTC or its nominee for the global security. Ownership of beneficial interest in a global security by persons that hold interests through participants will be shown on, and the transfer of ownership will be effected only through, records maintained by such participant. The laws of some states may require that certain purchasers of securities take physical delivery of such securities in definitive form. Such limits and such laws may impair the ability to transfer beneficial interest in a global security.

Except as provided below, owners of beneficial interests in exchange notes represented by a global security will not be entitled to have exchange notes represented by the global security registered in their names, will not receive or be entitled to receive physical delivery of exchange notes in definitive form, known as certificated exchange notes, and will not be considered the owners or holders of such exchange notes under the indenture.

Exchange notes represented by a global security will be exchangeable for certificated exchange notes only if:

- DTC or its nominee notifies us that it is unwilling or unable to continue as depositary for the global security or we become aware that DTC has ceased to be a clearing agency registered under the Exchange Act and we have not appointed a successor depositary within 90 days after we receive such notice or become aware of such ineligibility or

- we, in our sole discretion, determine to discontinue use of the system of book-entry transfer and to exchange the global security for certificated exchange notes

Upon any such exchange, the certificated exchange notes will be registered in the names that DTC or its nominee holding the global security may direct.

We will make principal, premium and interest payments on the global security to DTC or its nominee, as the case may be, as the sole registered owner and the sole holder of the exchange notes represented thereby for all purposes under the indenture. DTC's practice is to credit participants' accounts on the applicable payment date in accordance with their respective holdings shown on DTC's records unless DTC has reason to believe that it will not receive payment on such date. We expect that payments by participants to owners of beneficial interests in a global security held through such participants will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such participant and not of DTC, the trustee or us, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, premium and interest to DTC is our responsibility and that of the trustee, disbursement of such payments to participants is the responsibility of DTC, and disbursement of such payments to the owners of beneficial interests in a global security held through such participants is the responsibility of such participants. Neither we, the trustee, the Paying Agent or the Security Registrar will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests of a global security representing any notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

The exchange notes will be issued as fully registered securities registered in the name of Cede & Co., DTC's nominee. DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform

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Commercial Code and a "clearing agency" registered pursuant to the provisions of Section 17A of the Exchange Act. DTC was created to hold the securities of its participants and to facilitate the clearance and settlement among participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in participants' accounts, thus eliminating the need of physical movement of securities certificates. Direct participants of DTC include securities brokers and dealers, including the Initial Purchasers, banks, trust companies, clearing corporations and certain other organizations. DTC is owned by a number of its direct participants and by The New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. Access to DTC's system is also available to others, known as indirect participants, such as securities brokers and dealers, banks and trust companies that clear through or maintain a direct or indirect custodial relationship with a direct participant, either directly or indirectly. The rules applicable to DTC and its participants are on file with the Securities and Exchange Commission.

Purchases of exchange notes under DTC's system must be made by or through direct participants, which will receive a credit for such exchange notes on DTC's records. The ownership interest of each actual purchaser, or beneficial owner, of each note represented by a global security is in turn to be recorded on the records of direct participants and indirect participants. Beneficial owners will not receive written confirmation from DTC of their purchase, but beneficial owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the direct participants or indirect participants through which such beneficial owner entered into the transaction. Transfer of ownership interests in the global security are to be accomplished by entries made on the books of participants acting on behalf of beneficial owners. Beneficial owners of the global security will not receive certificated notes representing their ownership interests in the global security, except in the limited circumstances described above.

To facilitate subsequent transfers, the global security deposited with, or on behalf of, DTC is registered in the name of DTC's nominee, Cede & Co. The deposit of the global security with, or on behalf of, DTC and its registration in the name of Cede & Co. effect no change in beneficial ownership. DTC has no knowledge of the actual beneficial owners of the global security; DTC's records reflect only the identity of the direct participants to whose accounts notes are credited, which may or may not be the beneficial owners. The participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to direct participants, by direct participants to indirect participants, and by direct participants and indirect participants to beneficial owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Neither DTC nor Cede & Co. will consent or vote with respect to the exchange notes. Under its usual procedures, DTC mails an omnibus proxy to us as soon as possible after the applicable record date. The omnibus proxy assigns Cede & Co.'s consenting or voting rights to those direct participants to whose account the exchange notes are credited on the applicable record date (identified in a listing attached to the omnibus proxy).

If applicable, redemption notices will be sent to Cede & Co. If less than all of the exchange notes are being redeemed, DTC's practice is to determine by lot the amount of the interest of each direct participant in such issue to be redeemed.

No service charge will be made for the registration of transfer or exchange of exchange notes, but we may require payment of a sum sufficient to cover any transfer tax or similar governmental charge payable in connection therewith. Exchange notes may be surrendered for registration of transfer or exchange at our offices or agencies maintained for such purpose, which shall initially be the Corporate Trust Office of the trustee in Chicago, Illinois. In the event that certificated exchange notes are issued

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or if DTC shall so require, we will be required to appoint a paying agent and security registrar in The City of New York. We may appoint additional paying agents and security registrars and may change any paying agent or security registrar, subject to our obligation under the indenture to maintain a paying agent and security registrar in Chicago, Illinois and, in the event that certificated exchange notes are issued or if DTC shall so require, The City of New York. At our option, payment of interest on certificated exchange notes may be made by check mailed to the addresses of the persons entitled thereto as they appear on the security register.

Limitations on Liens

Subject to certain exceptions, we will not, and will not permit any Subsidiary to, create, assume or suffer to exist, otherwise than in favor of us or a Subsidiary, any mortgage, pledge, lien, encumbrance, or security interest (collectively, "Liens") upon any of our properties or assets or upon any income or profits therefrom unless the exchange notes shall be equally and ratably secured. This prohibition will not apply to:

- Liens existing as of the date of the indenture;
- any purchase money mortgage or Lien created to secure all or part of the purchase price of any property (or to secure a loan made to us or any Subsidiary to enable it to acquire such property), provided that such Lien shall extend only to the property so acquired, improvements thereon, replacements thereof and the income or profits therefrom;
- Liens on any property at the time of the acquisition thereof, whether or not assumed by us or a Subsidiary; provided that such Lien shall extend only to the property so acquired, improvements thereon, replacements thereof and income or profits therefrom;
- Liens on property or any contract for the sale of any product or service, or any rights thereunder or any proceeds therefrom, acquired or constructed by us or a Subsidiary and created within one year after the later of:
    - the completion of such acquisition or construction, or
    - the commencement of operation of the property, provided that such Lien shall extend only to the property so acquired or constructed, improvements thereon, replacements thereof and income or profits therefrom;
- Liens on the property or assets of Subsidiaries outstanding at the time they become Subsidiaries;
- Liens created or assumed by us or a Subsidiary on coal, geothermal, oil, natural gas, inert gas, other hydrocarbon or mineral properties owned or leased by us or a Subsidiary to secure loans to us or a Subsidiary, for the purpose of developing such properties;
- Liens on any investment (as defined in the indenture) of ours or that of a Subsidiary of ours in any Person other than a Subsidiary or on any security representing any investment of ours or a Subsidiary of ours;
- any Lien not otherwise permitted by the indenture, provided that after giving effect to such Lien the sum of all indebtedness of us and our Subsidiaries secured by Liens not otherwise permitted by the indenture and all Attributable Debt of us and our Subsidiaries (to the extent not

included in indebtedness secured by Liens not otherwise permitted) does not exceed 10% of Consolidated Capitalization;

- any refunding or extension of maturity, in whole or in part, of any obligation or indebtedness secured by certain permitted Liens, provided that the principal amount of the obligation or indebtedness secured by such refunding or extension shall not exceed the principal amount of the obligation or indebtedness then outstanding and shall be limited in lien to the same or

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substituted property and after-acquired property that secured the refunded or extended obligation or indebtedness;

- Liens upon any office equipment, data processing equipment or any motor vehicles, tractors or trailers;
- Liens of or upon or in current assets of ours or a Subsidiary of ours created or assumed to secure indebtedness incurred in the ordinary course of business;
- any Lien which is payable, both with respect to principal and interest, solely out of the proceeds of natural gas, oil, coal, geothermal resources, inert gas, hydrocarbons or minerals to be produced from the property subject thereto and to be sold or delivered by us or a Subsidiary of ours;
- Liens to secure indebtedness incurred to finance advances made by us or any Subsidiary of ours to any third party for the purpose of financing oil, natural gas, hydrocarbon, inert gas or other mineral exploration or development, provided that such Liens shall extend only to our receivables or that of such Subsidiary in respect of such advances; and
- any rights reserved in others to take or reserve any part of the natural gas, oil, coal, geothermal resources, inert gas, hydrocarbons or minerals produced at any time on any property of ours or a Subsidiary of ours.

Also excepted from the general prohibition are various other liens, such as mechanics' or materialmen's liens, certain governmental liens, leases, certain judgment liens, and certain liens arising in connection with leases, easements and rights-of-way.

Change of Control

If a Change of Control occurs and is accompanied by a Rating Decline (together, a "Change of Control Triggering Event"), each registered holder of exchange notes will have the right to require us to offer to repurchase all or any part (equal to $1,000 or an integral multiple thereof) of such holder's exchange notes at a purchase price in cash equal to the principal amount of the exchange notes plus accrued and unpaid interest, if any, to the date of purchase.

Within 30 days following any Change of Control Triggering Event, we will mail a notice (the "Change of Control Offer") to each registered holder with a copy to the trustee stating:

(1) that a Change of Control Triggering Event has occurred and that such holder has the right to require us to purchase such holder's exchange notes at a purchase price in cash equal to the principal amount of such exchange notes plus accrued and unpaid interest, if any, to the date of purchase (the "Change of Control Payment");

(2) the repurchase date (which shall be no earlier than 30 days nor later than 60 days from the date such notice is mailed) (the "Change of Control Payment Date"); and

(3) the procedures determined by us, consistent with the indenture, that a holder must follow in order to have its exchange notes repurchased.

On the Change of Control Payment Date, we will, to the extent lawful:

(1) accept for payment all exchange notes or portions thereof (in integral multiples of $1,000) properly tendered and not withdrawn under the Change of Control Offer;

(2) deposit with the paying agent an amount equal to the Change of Control Payment in respect of all exchange notes or portions thereof so tendered; and

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(3) deliver or cause to be delivered to the trustee the exchange notes so accepted together with an Officers' Certificate stating the aggregate principal amount of exchange notes or portions thereof being purchased by us.

The paying agent will promptly mail to each holder of exchange notes so tendered the Change of Control Payment for such notes, and the trustee will promptly authenticate and mail (or cause to be transferred by book entry) to each holder a replacement exchange note equal in principal amount to any unpurchased portion of the notes surrendered, if any, provided that each such replacement exchange note will be in a principal amount of $1,000 or an integral multiple of $1,000.

If the Change of Control Payment Date is on or after an interest record date and on or before the related interest payment date, any accrued and unpaid interest, if any, will be paid to the Person in whose name an exchange note is registered at the close of business on such record date, and no additional interest will be payable to holders who tender pursuant to the Change of Control Offer.

The Change of Control provisions described above will be applicable whether or not any other provisions of the indenture are applicable. Except as described above with respect to a Change of Control Triggering Event, the indenture does not contain provisions that permit the holders to require that we repurchase or redeem the exchange notes in the event of a takeover, recapitalization or similar transaction.

Prior to mailing a Change of Control Offer, and as a condition to such mailing (i) the requisite holders of each issue of Indebtedness issued under any indenture or other agreement that may be violated by such payment shall have consented to such Change of Control Offer being made and waived the event of default, if any, caused by the Change of Control Triggering Event or (ii) we will repay all outstanding Indebtedness issued under any indenture or other agreement that may be violated by a payment to the holders of exchange notes under a Change of Control Offer or we must offer to repay all such Indebtedness, and make

payment to the holders of such Indebtedness that accept such offer and obtain waivers of any event of default from the remaining holders of such Indebtedness. We covenant to effect such repayment or obtain such consent and waiver within 30 days following any Change of Control Triggering Event, it being an Event of Default under the indenture if we fail to comply with such covenant within 30 days after receipt of written notice from the trustee or the holders of at least 25% in principal amount of the exchange notes.

We will not be required to make a Change of Control Offer upon a Change of Control Triggering Event if a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in the indenture applicable to a Change of Control Offer made by us and purchases all notes validly tendered and not withdrawn under such Change of Control Offer.

Our and our Subsidiaries' current and/or future debt instruments may require that we repay or refinance indebtedness under such debt instruments in the event of a change of control, as defined in such debt instruments. Such change of control provisions may be triggered under such debt instruments prior to the occurrence of a Change of Control Triggering Event, thereby requiring that the indebtedness under such debt instruments be repaid or refinanced prior to our repurchasing any exchange notes upon the occurrence of a Change of Control Triggering Event. Moreover, the exercise by the holders of their right to require us to repurchase the exchange notes could cause a default under such debt instruments, even if the Change of Control Triggering Event itself does not, due to the financial effect of such repurchase on us. In such event, we may not be able to satisfy our obligations to repurchase the exchange notes unless we are able to refinance or obtain waivers with respect to such debt instruments. Finally, our ability to pay cash to the holders upon a repurchase may be limited by our then existing financial resources. There can be no assurance that sufficient funds will be available when necessary to make any required repurchases.

Even if sufficient funds were otherwise available, the terms of our current and/or future debt instruments may prohibit our prepayment of exchange notes before their scheduled maturity. Consequently, if we are not able to prepay the indebtedness under such debt instruments or obtain requisite consents, we will be unable to fulfill our repurchase obligations if holders of exchange notes exercise their repurchase rights following a Change of Control Triggering Event, resulting in an Event of Default under the indenture. An Event of Default under the indenture may result in a default under our current and/or future debt instruments.

Definitions

Certain terms used in the indenture are defined and are used in this prospectus as follows:

"Attributable Debt" means, as of the date of determination, the present value of net rent for the remaining term of a capital lease, determined in accordance with accounting principles generally accepted in the United States ("GAAP"), which is part of a Sale and Leaseback Transaction (as defined), including any periods for which the lessee has the right to renew or extend the lease. For purposes of the foregoing, "net rent" means the sum of capitalized rental payments required to be paid by the lessee, other than amounts required to be paid by the lessee for maintenance, repairs, insurance, taxes, assessments, energy, fuel, utilities and similar charges. In the case of a capital lease which is terminable by the lessee upon the payment of a penalty, such net amount shall also include the amount of such penalty, but no rent shall be considered to be required to be paid under such lease subsequent to the first date upon which it may be so terminated.

"Change of Control" means the occurrence of any of the following:

(1) Questar or any of its affiliates ceases to own, directly or indirectly, beneficially or of record or otherwise, collectively more than 50% of the aggregate voting power of our voting stock (or its successor by merger, consolidation or purchase of all or substantially all of our assets);

(2) the sale, lease, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of our and our Subsidiaries' assets, taken as a whole to any person or group (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) other than to Questar or any of its affiliates; or

(3) the adoption by our stockholders of a plan or proposal of our liquidation or dissolution.

Although there is a limited body of case law interpreting the phrase "all or substantially all", there is no precise established definition of the phrase under applicable law. Accordingly, in certain circumstances there may be a degree of uncertainty as to whether a particular transaction would involve a disposition of "all or substantially all" of the property or assets of a Person. As a result, it may be unclear as to whether a Change of Control Triggering Event has occurred and whether a holder of exchange notes may require us to make an offer to repurchase the exchange notes as described above.

"Consolidated Capitalization" means, without duplication, the sum of:

- the principal amount of our Consolidated Funded Debt and that of our Subsidiaries at the time outstanding,
- the total capital represented by our capital stock and that of our Subsidiaries at the time outstanding based, in the case of stock having par value, upon its par value, and in the case of stock having no par value, upon the value stated on our books,
- the total amount of (or less the amount of any deficit in) our retained earnings and paid-in capital and that of our Subsidiaries,
- reserves for deferred federal and state income taxes arising from timing differences, and

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- Attributable Debt, all as shown on our consolidated balance sheet, prepared in accordance with GAAP; provided that in determining our consolidated retained earnings and paid-in capital, no effect shall be given to any unrealized write-up or write-down in the value of assets or any amortization thereof, except for accumulated provisions for depreciation, depletion, amortization and property retirement which shall have been created by charges made by us or any of our Subsidiaries on our or their books.

"Consolidated Funded Debt" means our Funded Debt and that of our Subsidiaries, consolidated in accordance with GAAP.

"Funded Debt" means all Indebtedness that will mature, pursuant to a mandatory sinking fund or prepayment provision or otherwise, and all installments of Indebtedness that will fall due, more than one year from the date of determination. In calculating the maturity of any Indebtedness, there shall be included the term of any unexercised right of the debtor to renew or extend such Indebtedness existing at the time of determination.

"Indebtedness" means all items of indebtedness for borrowed money (other than unamortized debt discount and premium) that would be included in determining total liabilities as shown on the liability side of a balance sheet prepared in accordance with GAAP as of the date as of which Indebtedness is to be determined, and shall include indebtedness for borrowed money (other than unamortized debt discount and premium) with respect to which we or any Subsidiary of ours customarily pays interest secured by any mortgage, pledge or other lien or encumbrance of or upon, or any security interest in, any properties or assets owned by us or any Subsidiary of ours, whether or not the Indebtedness secured thereby shall have been assumed, and shall also include guarantees of Indebtedness of others; provided that in determining our Indebtedness or that of any of our Subsidiaries, there shall be included the aggregate liquidation preference of all outstanding securities of any Subsidiary senior to its Common Stock that are not owned by us or a Subsidiary of ours; and provided, further, that Indebtedness of any Person shall not include the following:

- any indebtedness evidence of which is held in treasury (but the subsequent resale of such indebtedness shall be deemed to constitute the creation thereof); or
- any particular indebtedness if, upon or prior to the maturity thereof, there shall have been deposited with a depository (or set aside and segregated, if permitted by the instrument creating such indebtedness), in trust, money (or evidence of such indebtedness as permitted by the instrument creating such indebtedness) in the necessary amount to pay, redeem or satisfy such indebtedness; or
- any indebtedness incurred to finance oil, natural gas, hydrocarbon, inert gas or other mineral exploration or development to the extent that the issuer thereof has outstanding advances to finance oil, natural gas, hydrocarbon, inert gas or other mineral exploration or development, but only to the extent such advances are not in default; or
- any indebtedness incurred without recourse to us or any of our Subsidiaries; or
- any indebtedness incurred to finance advance payments for gas (pursuant to take-or-pay provisions or otherwise), but only to the extent that such advance payments are pursuant to gas purchase contracts entered into in the normal course of business; or
- any amount (whether or not included in determining total liabilities as shown on the liability side of a balance sheet prepared in accordance with GAAP) representing capitalized rent under any lease; or
- any indirect guarantees or other contingent obligations in respect of indebtedness of other Persons, including agreements, contingent or otherwise, with such other Persons or with third parties with respect to, or to permit or assure the payment of, obligations of such other Persons,

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including, without limitation, agreements to purchase or repurchase obligations of such other Persons, to advance or supply funds to, or to invest in, such other Persons, or to pay for property, products or services of such other Persons (whether or not conveyed, delivered or rendered); demand charge contracts, through-put, take-or-pay, keep-well, make-whole or maintenance of working capital or similar agreements; or guarantees with respect to rental or similar periodic payments to be made by such other Persons.

"Moody's" means Moody's Investors Service or, if Moody's Investors Service shall cease rating debt securities having a maturity at original issue of at least one year and such ratings business shall have been transferred to a successor Person, such successor Person; provided, however, that if there is no successor Person, then "Moody's" shall mean any other national recognized rating agency, other than S&P, that rates debt securities having a maturity at original issuance of at least one year and that shall have been designated by us.

"Place of Payment" means, when used with respect to the exchange notes, the place or places where the principal of (and premium, if any) and interest on the exchange notes are payable as specified and contemplated by the indenture.

"Rating Agencies" means Moody's and S&P.

"Rating Date" means the earlier of the date of public notice of (i) the occurrence of a Change of Control or (ii) our intention to effect a Change of Control.

"Rating Decline" shall be deemed to have occurred if, no later than 90 days after the Rating Date (which period shall be extended so long as the rating of the notes is under publicly announced consideration for possible downgrade by either of the Rating Agencies), either of the Rating Agencies assigns a rating to the notes that is lower than an investment grade rating. An investment grade rating with respect to Moody's shall mean a rating of "Baa3" or higher and an investment grade rating with respect to S&P shall mean a rating of "BBB-" or higher.

"S&P" means Standard & Poor's Ratings Services or, if Standard & Poor's Ratings Services shall cease rating debt securities having a maturity at original issue of at least one year and such ratings business shall have been transferred to a successor Person, such successor Person; provided, however, that if there is no successor Person, then "S&P" shall mean any other national recognized rating agency, other than Moody's, that rates debt securities having a maturity at original issuance of at least one year and that shall have been designated by us.

"Sale and Leaseback Transaction" means an arrangement in which we or one of our Subsidiaries sells any of our or their property which was placed into service more than 120 days prior to such sale to a Person and leases it back from that Person within 180 days of the sale.

"Stated Maturity" means, when used with respect to any exchange note or any installment of principal thereof or interest thereon, the date specified in such exchange note as the fixed date on which the principal of such exchange note or such installment of principal or interest is due and payable.

Consolidation, Merger and Sale of Assets

Nothing contained in the indenture or in any of the exchange notes will prevent any consolidation or merger of us with or into any other Person (whether or not affiliated with us), or successive consolidations or mergers in which we or our successor shall be a party, or will prevent any conveyance, transfer or lease of our property as an entirety or substantially as an entirety, to any other Person (whether or not affiliated with us); provided, however, that:

- in case of such a transaction, the entity formed by such consolidation or into which we are merged, or the Person which acquires or leases our properties and assets substantially as an

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entirety shall be a corporation, partnership, limited liability company, association, company or business trust organized under the laws of the United States of America, any state thereof or the District of Columbia and shall expressly assume the due and punctual payment of the principal of, premium, if any, and interest on all the notes and the performance of every other covenant of the indenture;

- immediately after giving effect to such transaction, no event which, after notice or lapse of time, would become an Event of Default, shall have occurred and be continuing; and

- each of us and the successor Person shall have delivered to the trustee an Officers' Certificate and an Opinion of Counsel, each stating that such transaction complies with the requirements in the previous two paragraphs, and that all conditions precedent relating to such transaction have been complied with.

Events of Default

The following are Events of Default under the indenture with respect to any exchange notes:

- failure to pay the principal of, or premium, if any, on any exchange note when due;

- failure to pay any interest installment on any exchange note when due, in each case, continued for 30 days;

- failure to perform any of our other covenants, continued for 90 days after written notice as provided in the indenture;

- the occurrence of an event of default in other indebtedness of ours (including securities other than the exchange notes) which results in indebtedness in excess of $10,000,000 principal amount being due and payable prior to maturity, and such acceleration is not rescinded or annulled or such indebtedness is not discharged after written notice as provided in the indenture; and

- certain events of bankruptcy, insolvency or reorganization.

If an Event of Default with respect to the exchange notes at the time outstanding shall occur and be continuing, then and in every such case, unless the principal of all the exchange notes has already become due and payable, the trustee or the holders of at least $33\frac{1}{3}\%$ in principal amount of the outstanding exchange notes may declare, by a notice in writing to us, and to the trustee if given by holders, the entire principal amount of all the outstanding exchange notes to be due and payable immediately. At any time after such declaration of acceleration has been made, but before a judgment or decree for payment of the money due has been obtained by the trustee, the holders of a majority in principal amount of the outstanding exchange notes, by written notice to us and the trustee, may, in certain circumstances, rescind and annul such declaration.

No holder of any exchange notes will have any right to institute any proceeding with respect to the indenture or for any remedy under the indenture, unless such holder previously shall have given to the trustee written notice of a continuing Event of Default and unless also the holders of at least 25% of the aggregate principal amount of outstanding exchange notes shall have made written request to, and have offered reasonable indemnity upon, the trustee, to institute such proceeding, and the trustee shall not have received directions inconsistent with such request in writing by the holders of a majority in principal amount of outstanding exchange notes and shall have neglected or refused to institute such proceeding within 60 days. However, the rights of any holder of any exchange notes to enforce the payment of principal, premium, if any, and interest due on such exchange notes on or after the dates expressed in such exchange notes may not be impaired or affected.

We must furnish the trustee within 120 days after the end of each fiscal year a statement signed by one of certain of our officers stating that a review of our activities during that year and our

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performance under the indenture and the terms of the exchange notes has been made, and, to the best of the knowledge of the signatory, based on such review, we have complied with all conditions and covenants of the indenture, or, if we are in default, specifying the default.

Waiver, Modification and Amendment

The holders of a majority in principal amount of the exchange notes may waive certain past defaults, except a default in the payment of the principal of, premium, if any, or interest on any exchange note or in respect of any covenant or provision in the indenture which under the terms of the indenture cannot be modified without the consent of all holders of exchange notes. The holders of a majority in aggregate principal amount of exchange notes may waive our compliance with certain restrictive provisions.

We and the trustee may modify and amend the indenture with the consent of the holders of a majority in aggregate principal amount of the exchange notes, provided that no such modification or amendment may, without the consent of the holder of each exchange note affected thereby:

- change the Stated Maturity of the principal of, or any installment of principal of, or interest on, any exchange note;

- reduce the principal of, premium, if any, or interest on, or any premium payable upon the redemption of, any exchange note;

- change the Place of Payment or change the currency of payment of principal, premium, if any, or interest on, any exchange note;

- impair the right to institute suit for the enforcement of any payment on or with respect to any exchange note;

- reduce the percentages of holders of exchange notes specified in this or the preceding paragraph;

- change the provisions related to the change of control repurchase; or

- effect certain other modifications or amendments described in the indenture.

In the case of provisions of the indenture affecting other series of securities as well as the notes, the holders of the notes will be treated as a separate class of securities for purposes of determining whether consent or waiver of a majority of holders has been obtained.

Defeasance and Covenant Defeasance

The indenture and the exchange notes provide that we may elect either:

- to defease and be discharged from our obligations with respect to the notes ("defeasance"); or
- to be released from our obligations with respect to such exchange notes described above under "—Limitations on Liens" and "—Consolidation, Merger and Sale of Assets" ("covenant defeasance"), upon the irrevocable deposit with the trustee, in trust for such purpose, of money and/or U.S. Government Obligations (as defined in the indenture) which through the payment of principal and interest in accordance with their terms will provide money, in an amount sufficient to pay the principal of, premium, if any, and interest on such exchange notes on the scheduled due date therefore.

Defeasance and covenant defeasance are each conditioned upon, among other things, our delivery to the trustee of an Opinion of Counsel to the effect that the holders of the exchange notes will have no federal income tax consequences as a result of such deposit.

Notices

Notices to holders of the exchange notes will be given by mail to the addresses of such holders as they appear in the security register.

Title

We or the trustee may treat the registered owner of any registered exchange note as the absolute owner thereof (whether or not the exchange note shall be overdue and notwithstanding any notice to the contrary) for the purpose of making payment and for all other purposes.

Replacement of Exchange Notes

We will replace any mutilated exchange note at the expense of the holders upon surrender to the trustee. We will replace exchange notes that become destroyed, lost or stolen at the expense of the holder upon delivery to the trustee of satisfactory evidence of the destruction, loss or theft thereof. In the event of a destroyed, lost or stolen exchange note, an indemnity satisfactory to us and the trustee may be required at the expense of the holder of the exchange note before a replacement exchange note will be issued.

Governing Law

The indenture and the exchange notes will be governed by, and construed in accordance with, the laws of the State of New York.

Concerning the Trustee

Bank One, NA is the trustee under the indenture and is an affiliate of Banc One Capital Markets, Inc. The indenture contains certain limitations on the rights of the trustee, should it become a creditor of ours, to obtain payment of claims in certain cases or to realize on certain property received in respect of any such claim as security or otherwise. The trustee will be permitted to engage in other transactions with us; however, if it acquires a conflicting interest it must eliminate such conflict or resign or otherwise comply with the Trust Indenture Act of 1939, as amended. The indenture also provides that we will indemnify the trustee against loss, liability or expense incurred without negligence or bad faith on the part of the trustee arising out of or in connection with the trust under the indenture. Bank One, NA (1) participates in our $280 million credit agreement, (2) is a creditor of our parent company, Questar, and (3) performs routine banking functions for us.

REGISTRATION RIGHTS AGREEMENT

In connection with the sale of the outstanding notes, we entered into a registration rights agreement with the Initial Purchasers. Under that agreement we agreed to use our reasonable best efforts to:

- file a registration statement with the Commission with respect to an offer to exchange the outstanding notes for new exchange notes having substantially identical terms as the outstanding notes (except that the new exchange notes will not contain terms with respect to transfer restrictions or interest rate increases) on or prior to 60 days after the notes were first issued;
- cause that registration statement to be declared effective under the Securities Act no later than the 180th day after the notes were first issued; and
- cause the exchange offer to be completed no later than 45 days after such registration statement became effective.

Promptly after the exchange offer registration statement has been declared effective, we will offer to the holder of the outstanding notes the opportunity to exchange their outstanding notes for the new exchange notes.

We will keep the exchange offer open for at least 20 business days after the notice of the exchange offer is mailed to the holders of the notes.

Under the following circumstances, we will file with the Commission a shelf registration statement to cover resales of the outstanding notes by those holders who provide required information in connection with the shelf registration statement:

- if any changes in law or the applicable interpretations of the staff of the Commission do not permit us to complete the exchange offer as contemplated by the registration rights agreement;

- any holder of the outstanding notes is not able to participate in the exchange offer;
- any holder of the outstanding notes does not receive freely transferable exchange notes;
- the exchange offer registration statement is not declared effective within 180 days of the date the outstanding notes were first issued or the exchange offer is not consummated within 45 days after the exchange offer registration statement is declared effective, but we may terminate such shelf registration statement at any time, without penalty, if the exchange offer registration statement is declared effective or the exchange offer is consummated; or
- upon the request of any Initial Purchaser made within 90 days after the consummation of the exchange offer with respect to outstanding notes not eligible to be exchanged in the exchange offer and held by it following the consummation of the exchange offer.

A "Registration Default" includes any of the following:

- we fail to file any of the registration statements required by the registration rights agreement on or before the date specified for such filing;
- any of such registration statements is not declared effective by the Commission on or prior to the date specified for such effectiveness;
- we fail to complete the exchange offer on or prior to the date specified for such completion; or
- the shelf registration statement is declared effective but thereafter ceases to be effective or usable in connection with resales of the notes during the period specified in the registration rights agreement, subject to certain exceptions for limited periods of time.

If a Registration Default occurs, then we will be required to pay additional interest to each holder of the outstanding notes. During the first 90-day period that a Registration Default occurs, we will pay additional interest equal to 0.25% per year. At the beginning of the second 90-day period that a Registration Default is continuing, the amount of additional interest will increase by an additional 0.25% per year until all Registration Defaults have been cured. However, in no event will the rate of additional interest exceed 0.50% per year, for each of the outstanding notes. Such additional interest will accrue only for those days that a Registration Default occurs and is continuing. All accrued additional interest will be paid to the holders of the outstanding notes in the same manner as interest payments on the exchange notes, with payments being made on the interest payment dates for the notes.

Following the cure of all Registration Defaults, no more additional interest will accrue. You will not be entitled to receive any additional interest if you were, at any time while the exchange offer was pending, eligible to exchange and did not validly tender your outstanding notes for exchange notes in the exchange offer.

Holders who desire to tender their outstanding notes will be required to make to us the representations described under "The Exchange Offer—Purpose and Effect of the Exchange Offer" and "The Exchange Offer—Procedures for Tendering" in order to participate in the exchange offer. In addition, we may require holders to deliver information to be used in connection with the shelf registration statement in order to have their notes included in the shelf registration statement and benefit from the provisions regarding additional interest described in the preceding paragraphs. A holder who sells outstanding notes under the shelf registration statement generally will be required to be named as a selling securityholder in the related prospectus and to deliver a prospectus to purchasers. Such a holder will also be subject to the civil liability provisions under the Securities Act in connection with such sales and will be bound by the provision of the registration rights agreement that are applicable to such holder including indemnification obligations.

The description of the registration rights agreement contained in this section is a summary only. For more information, you may review the provisions of the registration rights agreement that we filed with the Commission as an exhibit to the registration statement of which this prospectus is a part.

CERTAIN FEDERAL INCOME TAX CONSEQUENCES

The following discussion is based on the current provisions of the Internal Revenue Code of 1986, as amended (the "Code"), applicable Treasury regulations, judicial authority and administrative rulings and practice. There can be no assurance that the Internal Revenue Service (the "Service") will not take a contrary view, and no ruling from the Service has been or will be sought. Legislative, judicial or administrative changes or interpretations may be forthcoming that could alter or modify the statements and conditions set forth herein. Any such changes or interpretations may or may not be retroactive and could affect the tax consequences to holders. Certain holders (including insurance companies, tax-exempt organizations, financial institutions, broker-dealers, foreign corporations and persons who are not citizens or residents of the United States) may be subject to special rules not discussed below. We recommend that each holder consult such holder's own tax advisor as to the particular tax consequences of exchanging such holder's outstanding notes for new exchange notes, including the applicability and effect of any state, local or foreign tax laws.

We believe that the exchange of outstanding notes for new exchange notes pursuant to the exchange offer will not be treated as an "exchange" for federal income tax purposes because the new exchange notes will not be considered to differ materially in kind or extent from the outstanding notes. Rather, the new exchange notes received by a holder will be treated as a continuation of the outstanding notes in the hands of such holder. As a result, there will be no federal income tax consequences to holders exchanging outstanding notes for new exchange notes pursuant to the exchange offer.

PLAN OF DISTRIBUTION

Based on interpretations by the staff of the Commission in no action letters issued to third parties, we believe that any holder may transfer new exchange notes issued under the exchange offer in exchange for the outstanding notes if:

- the holder acquires the new exchange notes in the ordinary course of its business;
- the holder is not engaged in, and does not intend to engage in, and has no arrangement or understanding with any person to participate in, a distribution of such new exchange notes.

Broker-dealers receiving new exchange notes in the exchange offer will be subject to a prospectus delivery requirement with respect to resales of the new exchange notes.

We believe that a holder may not transfer new exchange notes issued under the exchange offer in exchange for the outstanding notes if that holder is:

- an "affiliate" of the Company within the meaning of Rule 405 under the Securities Act;
- a broker dealer that acquired outstanding notes directly from the Company; or
- a broker-dealer that acquired outstanding notes as a result of market-making or other trading activities without compliance with the registration and prospectus delivery provisions of the Securities Act.

To date, the staff of the Commission has taken the position that participating broker-dealers may fulfill their prospectus delivery requirements with respect to transactions involving an exchange of securities such as this exchange offer, other than a resale of an unsold allotment from the original sale of the outstanding notes, with the prospectus contained in the exchange offer registration statement. In the registration rights agreement, we have agreed to permit participating broker-dealers to use this prospectus in connection with the resale of new notes. We have agreed that, for a period of up to 180 days after the expiration of the exchange offer, we will make this prospectus and any amendment or supplement to it available to any broker-dealer that requests such documents in the letter of transmittal.

If a holder wishes to exchange its outstanding notes for new exchange notes in the exchange offer, the holder will be required to make representations to us as described in "The Exchange Offer—Purpose and Effect of the Exchange Offer" and "The Exchange Offer—Procedures for Tendering—Representations to the Company" of this prospectus and in the letter of transmittal. In addition, if a broker-dealer receives new exchange notes for its own account in exchange for outstanding notes that were acquired by it as a result of market-making activities or other trading activities, it will be required to acknowledge that it will deliver a prospectus in connection with any resale by it of such new exchange notes.

We will not receive any proceeds from any sale of new exchange notes by broker-dealers. Broker-dealers who receive new exchange notes for their own account in the exchange offer may sell them from time to time in one or more transactions in the over-the-counter market:

- in negotiated transactions
- through the writing of options on the new exchange notes or a combination of such methods of resale
- at market prices prevailing at the time of resale
- at prices related to such prevailing market prices or negotiated prices

Any resale may be made directly to purchasers or to or through brokers or dealers who may receive compensation in the form of commissions or concessions from any broker-dealer or the

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purchasers of any new exchange notes. Any broker-dealer that resells new exchange notes it received for its own account in the exchange offer and any broker or dealer that participates in a distribution of such new exchange notes may be deemed to be an "underwriter" within the meaning of the Securities Act. Any profit on any resale of new exchange notes and any commission or concessions received by any such persons may be deemed to be underwriting compensation under the Securities Act. The letter of transmittal states that by acknowledging that it will deliver and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an "underwriter" within the meaning of the Securities Act.

We have agreed to pay all expenses incidental to the exchange offer other than commissions and concessions of any brokers or dealers. We will indemnify holders of the outstanding notes, including any broker-dealers, against certain liabilities, including liabilities under the Securities Act, as provided in the registration rights agreement.

TRANSFER RESTRICTIONS ON OUTSTANDING NOTES

The outstanding notes were not registered under the Securities Act. Those outstanding notes may not be offered or sold in the United States or to, or for the account or benefit of, U. S. Persons except in accordance with an exemption from the Securities Act registrations requirements. Accordingly, the outstanding notes were offered and sold only in the United States to "qualified institutional buyers" under Rule 144A under the Securities Act in a private sale exempt from the registration requirements of the Securities Act.

LEGAL MATTERS

Certain matters in connection with the offering will be passed upon for us by Connie C. Holbrook, Senior Vice President, General Counsel and Corporate Secretary of Questar, 180 East 100 South, Salt Lake City, Utah. As of December 31, 2001, Ms. Holbrook owned 237,821 shares of Questar's common stock (including currently exercisable options to purchase 117,025 shares of such stock).

EXPERTS

Ernst & Young LLP, independent auditors, have audited our consolidated financial statements included in our Annual Report on Form 10-K/A for the year ended December 31, 2000, as set forth in their report, which is incorporated by reference in this prospectus and elsewhere in the registration statement. Our financial statements are incorporated by reference in reliance on Ernst & Young LLP's report, given on their authority as experts in accounting and auditing.

Certain information with respect to our oil and gas reserves has been derived from the reports of Ryder Scott Company, H. J. Gruy and Associates, Inc., Netherland, Sewell & Associates, Inc., Malkewicz-Hueni Associates, Inc., Gilbert Laustsen Jung Associates Ltd., and Sproule Associates, Ltd., independent

petroleum engineers, and has been included and incorporated by reference in this prospectus upon the authority of such firms as experts with respect to matters covered by such reports and in giving such reports.

You should rely only on the information contained or incorporated by reference in this prospectus. We have not authorized anyone to provide you with different information.

We are not offering the exchange notes in any jurisdiction where the offer is not permitted.

We do not claim the accuracy of the information in this prospectus as of any date other than the date stated on the cover.

$200,000,000

Questar Market Resources, Inc.

Offer to Exchange

7 % Exchange Notes Due 2007

for all outstanding Notes Due 2007

PROSPECTUS

, 2002

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 20. Indemnification of Directors and Officers.

Reference is made to Section 16-10a-901 through 16-10a-909 of the Utah Revised Business Corporation Act, which provides for indemnification of directors and officers in certain circumstances.

Our Bylaws provide that we may voluntarily indemnify any individual made a party to a proceeding because he is or was our director, officer, employee or agent against liability incurred in the proceeding, but only if we have authorized the payment in accordance with the applicable statutory provisions of the Utah Revised Business Corporation Act (Sections 16-10a-902, 16-10a-904 and 16-10a-907) and we have made a determination in accordance with the procedures set forth in such provision that such individual conducted himself in good faith, that he reasonably believed his conduct, in his official capacity with us, was in its best interests and that his conduct, in all other cases, was at least not opposed to our best interests, and that he had no reasonable cause to believe his conduct was unlawful in the case of any criminal proceeding. The foregoing indemnification in connection with a proceeding by or in our right is limited to reasonable expenses incurred in connection with the proceeding, which expenses may be advanced by us. Our Bylaws provide that we may not voluntarily indemnify our director, officer, employee or agent in connection with a proceeding by us or in our right in which such individual was adjudged liable to the us or in connection with any other proceeding charging improper personal benefit to him, whether or not involving action in his official capacity, in which he was adjudged liable on the basis that personal benefit was improperly received by him.

Our Bylaws provide further that we shall indemnify our director, officer, employee or agent who was wholly successful, on the merits or otherwise, in defense of any proceeding to which he was a party because he is or was our director, officer, employee or agent, against reasonable expenses incurred by him in connection with the proceeding.

Our Bylaws further provide that no director of ours shall be personally liable to us or our stockholders for monetary damages for any action taken or any failure to take any action, as a director, except liability for (a) the amount of a financial benefit received by a director to which he is not entitled; (b) an intentional infliction of harm on the us or our shareholders; (c) for any action that would result in liability of the director under the applicable statutory provision concerning unlawful distributions; or (d) an intentional violation of criminal law.

Questar Corporation, our parent, maintains an insurance policy on behalf of our officers and directors pursuant to which (subject to the limits and limitations of such policy) our officers and directors are insured against certain expenses in connection with the defense of actions or proceedings, and certain liabilities which might be imposed as a result of such actions or proceedings, to which any of them is made a party by reason of being or having been our director or officer.

Item 21. Exhibits and Financial Schedules

(a) Exhibits:

Exhibit Number	Description
4.01	Purchase Agreement dated January 9, 2002 by and among the Company and Banc of America Securities LLC, Merrill Lynch & Co., and Merrill Lynch Pierce, Fenner & Smith Incorporated, as representatives of the Initial Purchasers.
4.02*	Indenture, dated as of March 1, 2001, between the Company and Bank One, N.A., as trustee.
4.03	Form of 7% Exchange Note due 2007.
4.04	Registration Rights Agreement dated as of January 9, 2002 by and among the Company and Banc of America Securities LLC, Merrill Lynch & Co., and Merrill Lynch Pierce, Fenner & Smith Incorporated, as representatives of the Initial Purchasers.
5.01	Opinion of Connie C. Holbrook.
12.02	Computation of Ratio of Earnings to Fixed Charges.
23.01	Consent of Ernst & Young LLP.
23.02	Consent of Connie C. Holbrook (contained in her opinion filed as Exhibit 5.01).
23.03	Consent of Ryder Scott Company, LP.
23.04	Consent of H. J. Gruy and Associates, Inc.
23.05	Consent of Netherland Sewell & Associates, Inc.
23.06	Consent of Malkewicz Hueni Associates Ltd.
23.07	Consent of Gilbert Laustsen Jung Associates Ltd.
23.08	Consent of Ryder Scott Company, LP.
23.09	Consent of Sproule Associates, Ltd.
24.01	Form of Power of Attorney (included on signature page to the Registration Statement).
25.01	Statement of Eligibility of Trustee on Form T-1.
99.01	Form of Letter of Transmittal.
99.02	Form of Notice of Guaranteed Delivery

* Incorporated by reference from the Company's Current Report on Form 8-K dated March 6, 2001.

Item 22. Undertakings.

A. The undersigned registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of the registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

B. Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the provisions of Utah law and the registrant's bylaws, a summary of which is set forth in Item 15 hereof, or otherwise, the registrant has been advised that in the opinion of the Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

C. The undersigned registrant hereby undertakes that:

1. For purposes of determining any liability under the Securities Act of 1933, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the Company pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

2. For the purpose of determining any liability under the Securities Act of 1933, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the city of Salt Lake, State of Utah, on the 22nd day of February, 2002.

QUESTAR MARKET RESOURCES, INC.

By: /s/ G. L. NORDLOH

G. L. Nordloh
President and Chief Executive Officer

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints each of G. N. Nordloh and S. E. Parks his or her true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him or her and in his or her name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this registration statement (or any other registration statement for the same offering that is to be effective upon filing pursuant to Rule 462(b) under the Securities Act), and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorney-in-fact and agent, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agent or his or her substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities and on the dates indicated:

Signature	Title	Date
/s/ R. D. CASH R. D. Cash	Chairman of the Board and Director	February 22, 2002
/s/ G. L. NORDLOH G. L. Nordloh	President and Chief Executive Officer Director (Principal Executive Officer)	February 22, 2002
/s/ S. E. PARKS S. E. Parks	Vice President, Treasurer and Chief Financial Officer (Principal Financial Officer)	February 22, 2002
/s/ B. KURTIS WATTS B. Kurtis Watts	Manager of Accounting (Principal Accounting Officer)	February 22, 2002
/s/ TERESA BECK Teresa Beck	Director	February 22, 2002
/s/ PATRICK J. EARLY Patrick J. Early	Director	February 22, 2002
/s/ JAMES A. HARMON James A. Harmon	Director	February 22, 2002
/s/ KEITH O. RATTIE Keith O. Rattie	Director	February 22, 2002

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* Incorporated by reference from the Company's Current Report on Form 8-K dated March 6, 2001.

Exhibit 4.01

QUESTAR MARKET RESOURCES, INC.

(a Utah corporation)

$200,000,000 7% Notes due 2007

PURCHASE AGREEMENT

Dated: January 9, 2002

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QUESTAR MARKET RESOURCES, INC.

(a Utah corporation)

$200,000,000

7% Notes due 2007

PURCHASE AGREEMENT

January 9, 2002

BANC OF AMERICA SECURITIES LLC
MERRILL LYNCH & CO.
MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED
as Representatives of the several Initial Purchasers
c/o Merrill Lynch & Co.
Merrill Lynch, Pierce, Fenner & Smith Incorporated
Four World Financial Center
New York, New York 10080

Ladies and Gentlemen:

Questar Market Resources, Inc., a Utah corporation (the "Company"), confirms its agreement with Banc of America Securities LLC ("Banc of America"), Merrill Lynch & Co., Merrill Lynch, Pierce, Fenner & Smith Incorporated ("Merrill Lynch") and each of the other Initial Purchasers named in Schedule A hereto (collectively, the "Initial Purchasers", which term shall also include any initial purchaser substituted as hereinafter provided in Section 11 hereof), for whom Banc of America and Merrill Lynch are acting as representatives (in such capacity, the "Representatives"), with respect to the issue and sale by the Company and the purchase by the Initial Purchasers, acting severally and not jointly, of the respective principal amounts set forth in Schedule A of $200,000,000 aggregate principal amount of the Company's 7% Notes due 2007 (the "Securities"). The Securities are to be issued pursuant to an indenture dated as of March 1, 2001 (the "Indenture") between the Company and Bank One, NA, as trustee (the "Trustee"). The term "Indenture," as used herein, includes the Officer's Certificate (as defined in the Indenture) establishing the form and terms of the Securities pursuant to Sections 201 and 301 of the Indenture. Securities issued in book-entry form will be issued to Cede & Co. as nominee of The Depository Trust Company ("DTC") pursuant to a letter agreement, to be dated as of the Closing Time (as defined in Section 2(b) hereof) (the "DTC Agreement"), among the Company, the Trustee and DTC.

The Company understands that the Initial Purchasers propose to make an offering of the Securities on the terms and in the manner set forth herein and agrees that the Initial Purchasers may resell, subject to the conditions set forth herein, all or a portion of the Securities to purchasers ("Subsequent Purchasers") at any time after this Agreement has been executed and delivered. The Securities are to be offered and sold through the Initial Purchasers without being registered under the Securities Act of 1933, as amended (the "1933 Act"), in reliance upon exemptions therefrom. Pursuant to the terms of the Securities and the Indenture, investors that acquire Securities may only resell or otherwise transfer such Securities if such Securities are hereafter registered under the 1933 Act or if an exemption from the registration requirements of the 1933 Act is available (including the exemption afforded by Rule 144A ("Rule 144A") of the rules and regulations promulgated under the 1933 Act by the Securities and Exchange Commission (the "Commission") (the "1933 Act Regulations")).

The Company has prepared and delivered to each Initial Purchaser copies of a preliminary offering memorandum dated December 5, 2001 (the "Preliminary Offering Memorandum") and has prepared and will deliver to each Initial Purchaser, on the date hereof or the next succeeding day, copies of a final offering memorandum dated January 9, 2002 (the "Final Offering Memorandum"), each for use by such Initial Purchaser in connection with its solicitation of purchases of, or offering of, the Securities. "Offering Memorandum" means, with respect to any date or time referred to in this

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Agreement, the most recent offering memorandum (whether the Preliminary Offering Memorandum or the Final Offering Memorandum, or any amendment or supplement to either such document), including exhibits thereto and any documents incorporated therein by reference, which has been prepared and delivered by the Company to the Initial Purchasers in connection with their solicitation of purchases of, or offering of, the Securities.

All references in this Agreement to financial statements and schedules and other information which is "contained," "included" or "stated" in the Offering Memorandum (or other references of like import) shall be deemed to mean and include all such financial statements and schedules and other information which is incorporated by reference in the Offering Memorandum; and all references in this Agreement to amendments or supplements to the Offering Memorandum shall be deemed to mean and include the filing of any document under the Securities Exchange Act of 1934, as amended (the "1934 Act"), which is incorporated by reference in the Offering Memorandum.

SECTION 1. *Representations and Warranties.*

(a) *Representations and Warranties by the Company.* The Company represents and warrants to each Initial Purchaser as of the date hereof, as of the Closing Time referred to in Section 2(b) hereof, and agrees with each Initial Purchaser, as follows:

(i) *Offering Memorandum.* The Offering Memorandum does not, and at the Closing Time will not, include an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that this representation, warranty and agreement shall not apply to statements in or omissions from the Offering Memorandum made in reliance upon and in conformity with information furnished to the Company in writing by any Initial Purchaser expressly for use in the Offering Memorandum.

(ii) *Incorporated Documents.* The Offering Memorandum as delivered from time to time shall incorporate by reference the most recent Annual Report of the Company on Form 10-K filed with the Commission and each Quarterly Report of the Company on Form 10-Q and each Current Report of the Company on Form 8-K filed with the Commission since the filing of the end of the fiscal year to which such Annual Report relates. The documents incorporated or deemed to be incorporated by reference in the Offering Memorandum at the time they were or hereafter are filed with the Commission complied and will comply in all material respects with the requirements of the 1934 Act and the rules and regulations of the Commission thereunder (the "1934 Act Regulations"), and, when read together with the other information in the Offering Memorandum, at the time the Offering Memorandum was issued and at the Closing Time, did not and will not include an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading.

(iii) *Accountants.* The accountants who certified the financial statements and supporting schedules included in the Offering Memorandum are, to the best knowledge of the Company, independent public accountants as required by the 1933 Act and the 1933 Act Regulations.

(iv) *Financial Statements.* The financial statements included in the Offering Memorandum present fairly the financial position of the Company and its consolidated subsidiaries as at the dates indicated and the results of their operations for the periods specified; except as otherwise stated in the Offering Memorandum, such financial statements have been prepared in conformity with generally accepted accounting principles, applied on a consistent basis, and the supporting schedules included in the Offering Memorandum present fairly the information required to be stated therein. The selected financial data and the

summary financial information included in the Offering Memorandum present fairly the information shown therein and have been compiled on a basis consistent with that of the audited financial statements included in the Offering Memorandum. The pro forma financial statements of the Company and its subsidiaries and the related notes thereto included in the Offering Memorandum present fairly the information shown therein, have been prepared in accordance with the Commission's rules and guidelines with respect to pro forma financial statements and have been properly compiled on the bases described therein, and the assumptions used in the preparation thereof are reasonable and the adjustments used therein are appropriate to give effect to the transactions and circumstances referred to therein.

(v) *Material Changes or Material Transactions.* Since the respective dates as of which information is given in the Offering Memorandum, except as otherwise stated therein, (a) there has been no material adverse change in the condition, financial or otherwise, or in the earnings, business affairs or business prospects of the Company and its subsidiaries considered as one enterprise, whether or not arising in the ordinary course of business (a "Material Adverse Effect"), (b) there have been no transactions entered into by the Company or any of its subsidiaries, other than those in the ordinary course of business, which are material with respect to the Company and its subsidiaries considered as one enterprise, and (c) except for the regular dividends, there has been no dividend or distribution of any kind declared, paid or made by the Company on any class of its capital stock.

(vi) *Due Incorporation and Qualification.* The Company has been duly incorporated and is validly existing as a corporation in good standing under the laws of the State of Utah with corporate power and authority to own, lease and operate its properties and to conduct its business as described in the Offering Memorandum; and the Company is duly qualified as a foreign corporation to transact business and is in good standing in each jurisdiction in which such qualification is required, whether by reason of the ownership or leasing of property or the conduct of business, except where the failure to so qualify or be in good standing would not result in a Material Adverse Effect.

(vii) *Subsidiaries.* Each subsidiary of the Company has been duly incorporated and is validly existing as a corporation in good standing under the laws of the jurisdiction of its incorporation, has corporate power and authority to own, lease and operate its properties and to conduct its business as described in the Offering Memorandum and is duly qualified as a foreign corporation to transact business and is in good standing in each jurisdiction in which such qualification is required, whether by reason of the ownership of property or the conduct of business, except where the failure to so qualify or be in good standing would not have a Material Adverse Effect; and all of the issued and outstanding capital stock of each subsidiary has been duly authorized and validly issued, is fully paid and nonassessable and is owned by the Company, directly or through subsidiaries, free and clear of any security interest, mortgage, pledge, lien, encumbrance, claim or equity.

(viii) *Capital Stock.* The shares of issued and outstanding common stock of the Company have been duly authorized and validly issued and are fully paid and nonassessable.

(ix) *Authorization of Agreement.* This Agreement has been duly authorized, executed and delivered by the Company.

(x) *Authorization and Validity of the Indenture and the Securities.* The Securities have been duly authorized and, at the Closing Time, will have been duly executed by the Company and, when authenticated, issued and delivered in the manner provided for in the Indenture and delivered against payment of the purchase price therefor as provided in this Agreement, will constitute valid and legally binding obligations of the Company, enforceable against the Company in accordance with their terms, subject to bankruptcy, insolvency, fraudulent

transfer, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights and general equitable principles, and will be entitled to the benefits provided by the Indenture, which has been duly authorized, executed and delivered by the Company and has been duly qualified under the 1939 Act in connection with the offering of the $150,000,000 7 1/2% Notes due 2011 of the Company on March 1, 2001 and constitutes a valid and legally binding instrument of the Company, enforceable against the Company in accordance with its terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights and general equitable principles; and the Securities and the Indenture conform to the respective descriptions thereof in the Offering Memorandum.

(xi) *No Defaults; Regulatory Approvals.* Neither the Company nor any of its subsidiaries is in violation of its charter or in default in the performance or observance of any obligation, agreement, covenant or condition contained in any contract, indenture, mortgage, loan agreement, note, lease or other instrument to which the Company or any of its subsidiaries is a party or by which it or any of them may be bound, or to which any of the property or assets of the Company or any of its subsidiaries is subject which violations or defaults in the aggregate would have a Material Adverse Effect; and the execution and delivery of this Agreement and the Registration Rights Agreement by and among the Company and the Initial Purchasers dated January 9, 2002 (the "Registration Rights Agreement") and the consummation of the transactions contemplated herein and therein have been duly authorized by all necessary corporate action and will not conflict with or constitute a breach of, or a default under, or result in the creation or imposition of any lien, charge or encumbrance upon any property or assets of the Company or any of its subsidiaries, except as expressly contemplated in the Indenture or except as would not have a material adverse effect, pursuant to any contract, indenture, mortgage, loan agreement, note, lease or other instrument to which the Company or any of its subsidiaries is a party or by which it or any of them may be bound, or to which any of the property or assets of the Company or any of its subsidiaries is subject, nor will such action result in any violation of the provisions of the charter or bylaws of the Company or any applicable law, administrative regulation or administrative or court decree.

(xii) *Legal Proceedings; Contracts.* There is no action, suit or proceeding before or brought by any court or governmental agency or body, domestic or foreign, now pending, or, to the knowledge of the Company, threatened, against the Company or any of its subsidiaries, which is required to be disclosed in the Offering Memorandum (other than as disclosed therein) or which would reasonably be expected to: (A) result in a Material Adverse Effect; or (B) materially and adversely affect the properties or assets thereof or the consummation of the transactions contemplated by this Agreement or the performance by the Company of its obligation hereunder. All pending legal or governmental proceedings to which the Company or any of its subsidiaries is a party or which any of their respective property is subject which are not described directly or

by reference in the Offering Memorandum, including ordinary routine litigation incidental to the business, considered in the aggregate, would not reasonably be expected to cause a Material Adverse Effect.

(xiii) *No Governmental Authorization.* No authorization, approval or consent of any court or governmental authority or agency is necessary in connection with the sale of the Securities hereunder, except such as have been obtained.

(xiv) *Possession of Permits.* The Company and its subsidiaries possess such valid franchises, certificates of convenience and necessity, easements, rights-of-way, operating rights, licenses, permits, consents, authorizations and orders of governmental political subdivisions or regulatory authorities as are necessary to conduct the business now operated by them, except those the failure of which to possess would not have a Material Adverse Effect, and neither

the Company nor any of its subsidiaries has received any notice of proceedings relating to the revocation or modification thereof which, singly or in the aggregate, if the subject of an unfavorable decision, ruling or finding would have a Material Adverse Effect.

(xv) *Investment Company Act.* Neither the Company nor any of its subsidiaries is regulated or required to be registered as an "investment company" under the Investment Company Act of 1940, as amended (the "1940 Act").

(xvi) *Ratings.* The Securities are rated Baa2 by Moody's Investors Service, Inc. and BBB+ by Standard & Poor's Ratings Services, or such other rating as to which the Company shall have most recently notified the Initial Purchasers pursuant to Section 5(h) hereof.

(xvii) *Similar Offerings.* Neither the Company nor any of its affiliates, as such term is defined in Rule 501(b) under the 1933 Act (each, an "Affiliate"), has, directly or indirectly, solicited any offer to buy, sold or offered to sell or otherwise negotiated in respect of, or will solicit any offer to buy, sell or offer to sell or otherwise negotiate in respect of, in the United States or to any United States citizen or resident, any security which is or would be integrated with the sale of the Securities in a manner that would require the offered Securities to be registered under the 1933 Act.

(xviii) *Rule 144A Eligibility.* The Securities are eligible for resale pursuant to Rule 144A and will not be, at the Closing Time, of the same class as securities listed on a national securities exchange registered under Section 6 of the 1934 Act, or quoted in a U.S. automated interdealer quotation system.

(xix) *No General Solicitation.* None of the Company, its Affiliates or any person acting on its or any of their behalf (other than the Initial Purchasers, as to whom the Company makes no representation) has engaged or will engage, in connection with the offering of the offered Securities, in any form of general solicitation or general advertising within the meaning of Rule 502(c) under the 1933 Act.

(xx) *No Registration Required.* Subject to compliance by the Initial Purchasers with the representations and warranties set forth in Section 2 and the procedures set forth in Section 6 hereof, it is not necessary in connection with the offer, sale and delivery of the offered Securities to the Initial Purchasers and to each Subsequent Purchaser in the manner contemplated by this Agreement and the Offering Memorandum to register the Securities under the 1933 Act or to qualify the Indenture under the Trust Indenture Act of 1939, as amended (the "1939 Act").

(xxi) *Authorization of Registration Rights Agreement.* The Registration Rights Agreement has been duly authorized, executed and delivered by the Company and constitutes a valid and legally binding agreement of the Company, enforceable against the Company in accordance with its terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights and general equitable principles; and the Registration Rights Agreement conforms to the description thereof in the Offering Memorandum.

(b) *Additional Certifications.* Any certificate signed by any director or officer of the Company and delivered to the Representatives or to counsel for the Initial Purchasers shall be deemed a representation and warranty by the Company to the Initial Purchasers as to the matters covered thereby.

SECTION 2. *Sale and Delivery to Initial Purchasers; Closing.*

(a) *Securities.* On the basis of the representations and warranties herein contained and subject to the terms and conditions herein set forth, the Company agrees to sell to each Initial

Purchaser, severally and not jointly, and each Initial Purchaser, severally and not jointly, agrees to purchase from the Company, at the price set forth in Schedule B, the aggregate principal amount of Securities set forth in Schedule A opposite the name of such Initial Purchasers, plus any additional principal amount of Securities which such Initial Purchasers may become obligated to purchase pursuant to the provisions of Section 11 hereof.

(b) *Payment.* Payment of the purchase price for, and delivery of certificates for, the Securities shall be made at the offices of Skadden, Arps, Slate, Meagher & Flom LLP, Four Times Square, New York, NY 10036, or at such other place as shall be agreed upon by the Representatives and the Company, at 10:00 A.M. on the third business day after the date hereof (unless postponed in accordance with the provisions of Section 11), or such other time not later than ten business days after such date as shall be agreed upon by the Representatives and the Company (such time and date of payment and delivery being herein called "Closing Time").

Payment shall be made to the Company by wire transfer of immediately available funds to a bank account designated by the Company, against delivery to the Representatives for the respective accounts of the Initial Purchasers of certificates for the Securities to be purchased by them. It is understood that each Initial Purchaser has authorized the Representatives, for its account, to accept delivery of, receipt for, and make payment of the purchase price for, the Securities which it has agreed to purchase. Banc of America and Merrill Lynch, not as representatives of the Initial Purchasers, may

(but shall not be obligated to) make payment of the purchase price for the Securities to be purchased by any Initial Purchaser whose funds have not been received by Closing Time, but such payment shall not relieve such Initial Purchaser from its obligations hereunder.

(c) *Denominations; Registration.* Certificates for the Securities shall be in such denominations ($1,000 or integral multiples thereof) and registered in such names as the Initial Purchasers may request in writing at least one full business day before Closing Time. The Securities will be made available for examination and packaging by the Initial Purchasers in The City of New York not later than 10:00 A.M. on the last business day prior to Closing Time.

SECTION 3. *Covenants of the Company.* The Company covenants with each Initial Purchaser as follows:

(a) *Offering Memorandum.* The Company, as promptly as possible, will furnish to each Initial Purchaser, without charge, such number of copies of the Offering Memorandum and any amendments and supplements thereto and documents incorporated by reference therein as such Initial Purchaser may reasonably request.

(b) *Notice and Effect of Material Events.* The Company will immediately notify each Initial Purchaser, and confirm such notice in writing, of (x) any filing made by the Company of information relating to the offering of the Securities with any securities exchange or any other regulatory body in the United States or any other jurisdiction, and (y) prior to the completion of the placement of the Offered Securities by the Initial Purchasers as evidenced by a notice in writing from the Initial Purchasers to the Company, any material changes in or affecting the condition, financial or otherwise, or the earnings, business affairs or business prospects of the Company and its subsidiaries considered as one enterprise which (i) make any statement in the Offering Memorandum false or misleading or (ii) are not disclosed in the Offering Memorandum. In such event or if during such time any event shall occur as a result of which it is necessary, in the reasonable opinion of any of the Company, its counsel, the Initial Purchasers or counsel for the Initial Purchasers, to amend or supplement the Offering Memorandum in order that the Offering Memorandum not include any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein not misleading in the light of the circumstances then existing, the Company will forthwith amend or supplement the Offering

Memorandum by preparing and furnishing to each Initial Purchaser an amendment or amendments of, or a supplement or supplements to, the Offering Memorandum (in form and substance satisfactory in the reasonable opinion of counsel for the Initial Purchasers) so that, as so amended or supplemented, the Offering Memorandum will not include an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing at the time it is delivered to a Subsequent Purchaser, not misleading.

(c) *Amendment to Offering Memorandum and Supplements.* The Company will advise each Initial Purchaser promptly of any proposal to amend or supplement the Offering Memorandum and will not effect such amendment or supplement without the consent of the Initial Purchasers. Neither the consent of the Initial Purchasers, nor the Initial Purchaser's delivery of any such amendment or supplement, shall constitute a waiver of any of the conditions set forth in Section 5 hereof.

(d) *Blue Sky Qualifications.* The Company will endeavor, in cooperation with the Initial Purchasers, to qualify the Securities for offering and sale under the applicable securities laws of such states and other jurisdictions as the Representatives may designate and to maintain such qualifications in effect for a period of not less than one year from the date of the Offering Memorandum or such shorter period as is necessary to complete the distribution of the Securities; provided, however, that the Company shall not be obligated to file any general consent to service of process or to qualify as a foreign corporation or as a dealer in securities in any jurisdiction in which it is not so qualified or to subject itself to taxation in respect of doing business in any jurisdiction in which it is not otherwise so subject. In each jurisdiction in which the Securities have been so qualified, the Company will file such statements and reports as may be required by the laws of such jurisdiction to continue such qualification in effect for a period of not less than one year from the date of the Offering Memorandum. The Company will also supply the Initial Purchasers with such information as is necessary for the determination of the legality of the Securities for investment under the laws of such jurisdictions as the Initial Purchasers may request.

(e) *Use of Proceeds.* The Company will use the net proceeds received by it from the sale of the Securities in the manner specified in the Offering Memorandum under "Use of Proceeds".

(f) *Restriction on Sale of Securities.* During a period of 14 days from the date of the Offering Memorandum, the Company will not, without the prior written consent of Banc of America and Merrill Lynch, directly or indirectly, issue, sell, offer or contract to sell, grant any option for the sale of, or otherwise transfer or dispose of, any debt securities of the Company other than such securities representing commercial bank debt or intercompany debt.

(g) *Reporting Requirements.* The Company, during the period when the Offering Memorandum is required to be delivered pursuant to Section 6(a)(vii) hereof, will file all documents required to be filed with the Commission pursuant to the 1934 Act within the time periods required by the 1934 Act and the 1934 Act Regulations.

SECTION 4. *Payment of Expenses.*

(a) *Expenses.* The Company will pay all expenses incident to the performance of its obligations under this Agreement, including (i) the preparation, printing, delivery to the Initial Purchasers and any filing of the Offering Memorandum (including financial statements and exhibits) and of each amendment or supplement thereto, (ii) the preparation, printing and delivery to the Initial Purchasers of any Agreement among Initial Purchasers, the Indenture and such other documents as may be required in connection with the offering, purchase, sale, issuance or delivery of the Securities, (iii) the preparation, issuance and delivery of the certificates, if any, for the Securities, (iv) the fees and disbursements of the Company's counsel, accountants and other

advisors, (v) the qualification of the Securities under securities laws in accordance with the provisions of Section 3(d) hereof, including filing fees and the reasonable fees and disbursements of counsel for the Initial Purchasers in connection therewith and in connection with the preparation of the Blue Sky Survey and any supplement thereto, (vi) the printing and delivery to the Initial Purchasers of copies of each preliminary Offering Memorandum and of the

Offering Memorandum and any amendments or supplements thereto, (vii) the preparation, printing and delivery to the Underwriters of copies of the Blue Sky Survey and any supplement thereto, (viii) the fees and expenses of the Trustee, including the fees and disbursements of counsel for the Trustee in connection with the Indenture and the Securities, and (ix) any fees payable in connection with the rating of the Securities.

(b) *Termination of Agreement.* If this Agreement is terminated by the Representatives in accordance with the provisions of Section 5 or Section 10(a)(i) hereof, the Company shall reimburse the Initial Purchasers for all of their out-of-pocket expenses, including the reasonable fees and disbursements of counsel for the Initial Purchasers.

SECTION 5. *Conditions of the Initial Purchasers' Obligations.* The obligations of the several Initial Purchasers hereunder are subject to the accuracy of the representations and warranties of the Company contained in Section 1 hereof or in certificates of any officer of the Company delivered pursuant to the provisions hereof, to the performance by the Company of its covenants and other obligations hereunder, and to the following further conditions:

(a) *Opinion of Connie C. Holbrook, Esq.* At Closing Time, the Representatives shall have received the favorable opinion, dated as of Closing Time, of Connie C. Holbrook, Esq., counsel for the Company who may rely as to all matters governed by federal and New York law upon the opinion of Skadden, Arps, Slate, Meagher & Flom LLP referred to below, in form and substance reasonably satisfactory to counsel for the Initial Purchasers, to the effect that:

(i) The Company has been duly incorporated and is an existing corporation in good standing under the laws of the State of Utah.

(ii) The Company has corporate power and authority to own its properties and conduct its business as described in the Offering Memorandum; and the Company is duly qualified to do business as a foreign corporation and is in good standing in all other jurisdictions in which it owns or leases substantial properties or in which the conduct of its business requires such qualification, except where the failure to be so qualified would not have a Material Adverse Effect.

(iii) The Securities are in the form contemplated by the Indenture, have been duly authorized by the Company and, assuming that the Securities have been duly authenticated by the Trustee in accordance with the terms of the Indenture, the Securities have been duly executed, issued and delivered by the Company and constitute valid and binding obligations of the Company, enforceable against the Company in accordance with their terms, except to the extent that enforcement thereof may be limited by (a) bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium or other similar laws now or hereinafter in effect relating to or affecting creditors' rights generally and (b) general principles of equity (regardless of whether enforceability is considered in a proceeding at law or in equity). In expressing the opinion set forth in this paragraph (iii), such counsel may assume that the Securities, in the form delivered to the Initial Purchasers, conform to the specimen of the Securities examined by such counsel, which fact need not be verified by an inspection of the individual Securities.

(iv) The execution, delivery and performance of the Indenture, of the Registration Rights Agreement and of this Agreement and the issuance and sale of the Securities and compliance with the terms and provisions hereof and thereof will not (a) result in a breach or violation of any of the terms or provisions of, or constitute a default under, (1) any law, rule, regulation or order known to such counsel of any governmental agency having jurisdiction over the Company or any of its properties or any agreement or instrument known to such counsel to which the Company is a party or by which the Company is bound or to which any of the properties of the Company is subject, which would cause a material adverse change in the financial position, shareholders' equity or results of operations of the Company or affect the validity of the Securities or the legal authority of the Company to comply with the terms of the Securities, the Indenture, this Agreement or (2) the charter or bylaws of the Company or (b) result in the creation or imposition of any lien, charge or encumbrance upon any property or assets of the Company or any subsidiary pursuant to any contract, indenture, mortgage, deed of trust, loan or credit agreement, note, lease or any other agreement or instrument, known to such counsel, to which the Company or any subsidiary is a party or by which it or any of them may be bound, or to which any of the property or assets of the Company or any subsidiary is subject (except for such liens, charges or encumbrances that would not have a

Material Adverse Effect); and the Company has full power and authority to authorize, issue and sell the Securities as contemplated by this Agreement.

(v) The Indenture has been duly authorized, executed and delivered by the Company and (assuming the due authorization, execution and delivery of the Indenture by the Trustee) is a valid and binding agreement of the Company, enforceable against the Company in accordance with its terms, except to the extent enforcement thereof may be limited by (a) bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium or other similar laws now or hereinafter in effect relating to or affecting creditors' rights generally, and (b) general principles of equity (regardless of whether enforceability is considered in a proceeding at law or in equity).

(vi) Each of the Purchase Agreement and the Registration Rights Agreement has been duly authorized, executed and delivered by the Company and the Registration Rights Agreement constitutes a valid and legally binding agreement of the Company, enforceable against the Company in accordance with its terms.

(vii) No authorization, approval or consent of any governmental authority or agency is necessary in connection with the transactions contemplated by this Agreement, except such as may be required under state securities or Blue Sky laws, and except as have been obtained.

(viii) The documents incorporated by reference in the Offering Memorandum (other than the financial statements and supporting schedules included therein or omitted therefrom, as to which such counsel need express no opinion), when they were filed with the Commission complied as to form in all material respects with the requirements of the 1934 Act and the 1934 Act Regulations.

(ix) It is not necessary in connection with the offer, sale and delivery of the Securities to the Initial Purchasers and to each Subsequent Purchaser in the manner contemplated by the Purchase Agreement and the Offering Memorandum to register the Securities under the 1933 Act or to qualify the Indenture under the Trust Indenture Act.

(b) *Opinion of Company Counsel.* At Closing Time, the Representatives shall have received the favorable opinion, dated as of Closing Time, of Skadden, Arps, Slate, Meagher & Flom LLP, special counsel for the Company, in form and substance reasonably satisfactory to counsel for the Initial Purchasers, to the effect that:

(i) The Securities are in the form contemplated by the Indenture, and when executed and authenticated in accordance with the terms of the Indenture and delivered to and paid for by the Initial Purchasers in accordance with the terms hereof, will constitute valid and binding obligation of the Company, enforceable against the Company in accordance with their terms under the laws of the State of New York, except to the extent that enforcement thereof may be limited by (a) bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium or other similar laws now or hereinafter in effect relating to or affecting creditors' rights generally and (b) general principles of equity (regardless of whether enforceability is considered in a proceeding at law or in equity).

(ii) The Securities and the Indenture conform in all material respects to the descriptions thereof contained in the Offering Memorandum.

(iii) The Indenture has been duly executed and delivered by the Company (to the extent such execution and delivery are matters governed by the laws of the State of New York) and (assuming the due authorization, execution and delivery of the Indenture by the Trustee) is a valid and binding agreement of the Company, enforceable against the Company in accordance with its terms under the laws of the State of New York, except to the extent enforcement

thereof may be limited by (a) bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium or other similar laws now or hereinafter in effect relating to or affecting creditors' rights generally and (b) general principles of equity (regardless of whether enforceability is considered in a proceeding at law or in equity).

(iv) Each of this Agreement and the Registration Rights Agreement has been duly executed and delivered by the Company (to the extent such execution and delivery are matters governed by the laws of the State of New York).

(v) Such counsel does not know of any legal or governmental proceedings which would be required to be disclosed in the Offering Memorandum which are not disclosed as required, assuming that the Offering Memorandum was subject to Regulation S-K of the 1933 Act Regulations.

(vi) No authorization, approval or consent of any governmental authority or agency is necessary in connection with the consummation by the Company of the transactions contemplated by this Agreement, except such as may be required by state securities or Blue Sky laws, and other than any that has been obtained.

(vii) The statements set forth in the Offering Memorandum under the captions "Description of the Notes" and "Exchange Offer and Registration Rights", insofar as such statements purport to summarize certain provisions of the documents referred to therein, fairly summarize such provisions in all material respects.

(viii) Assuming (i) the accuracy of the representations and warranties of the Company set forth in Section 1 of the Purchase Agreement, (ii) the due performance by the Company of the covenants and agreements set forth in Section 3 of the Purchase Agreement and the due performance by the Initial Purchasers of the covenants and agreements set forth in Section 6 of the Purchase Agreement, (iii) compliance by the Initial Purchasers with the offering and transfer procedures and restrictions described in the Offering Memorandum, (iv) the accuracy of the representations and warranties made in accordance with this Agreement and the Offering Memorandum by purchasers to whom the Initial Purchasers initially resell the Securities and (v) that purchasers to whom the Initial Purchasers initially resell the Securities receive a copy of the Offering Memorandum prior to such sale, the offer, sale and delivery of the Securities to the Initial Purchasers in the manner contemplated by the Purchase Agreement and the Offering Memorandum and the initial resale of the Securities by the Initial Purchasers in the manner contemplated in the Offering Memorandum and this Agreement, do not require registration under the Securities Act, and the Indenture does not require qualification under the Trust Indenture Act, it being understood that we do not express any opinion as to any subsequent resale of any Security.

(c) *Opinion of Counsel to the Initial Purchasers.* The opinion of Sidley Austin Brown & Wood LLP, counsel to the Initial Purchasers, who may rely as to all matters governed by Utah law upon the opinion of Connie C. Holbrook, Esq., referred to above, covering the matters referred to in subparagraph (a) under the subheading (i) and subparagraph (b) under the subheadings (i) through (iv), inclusive, (viii) and (ix) above.

(d) In giving their opinions as of the date hereof required by subsection (b), (c) and (d) of this Section, counsel (other than Connie C. Holbrook) shall state that they have participated in conferences with officers and other representatives of the Company, representatives of the independent accountants of the Company, and the Initial Purchasers, at which the contents of the Offering Memorandum, and any amendments or supplements thereto, and related matters were discussed and although such counsel are not passing upon, and do not assume any responsibility for, the accuracy, completeness or fairness of the statements contained in the Offering

Memorandum or any amendments or supplements thereto and have made no independent check or verification thereof, on the basis of the foregoing, no facts have come to such counsel's attention that lead them to believe that the Offering Memorandum, at the time the Offering Memorandum was issued, at the time any such amended or supplemented Offering Memorandum was issued or at the Closing Time, contained an untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein not misleading. Such counsel may state that they express no opinion or belief with respect to the financial statements and the related notes, schedules and other financial or reserve data included in or excluded from the Offering Memorandum or the exhibits thereto or incorporated by reference in such Offering Memorandum.

(e) *Officers' Certificate.* At Closing Time, there shall not have been, since the date hereof or since the respective dates as of which information is given in the Offering Memorandum, any material adverse change in the condition, financial or otherwise, or in the earnings, business affairs or business prospects of the Company and its subsidiaries considered as one enterprise, whether or not arising in the ordinary course of business, and the Representatives shall have received a certificate of the President or a Vice President of the Company and of the chief financial or chief accounting officer of the Company, dated as of Closing Time, to the effect that (i) there has been no such material adverse change, (ii) the representations and warranties in Section 1(a) hereof are true and correct with the same force and effect as though expressly made at and as of Closing Time and (iii) the Company has complied with all covenants and agreements and satisfied all conditions on its part to be performed or satisfied at or prior to Closing Time.

(f) *Accountants' Comfort Letter.* At the time of the execution of this Agreement, the Representatives shall have received from Ernst & Young, LLP a letter dated such date, in form and substance satisfactory to the Representatives, together with signed or reproduced copies of such letter for each of the other Initial Purchasers containing statements and information of the type ordinarily included in accountants' "comfort letters" to underwriters with respect to the financial statements and certain financial information contained in the Offering Memorandum.

(g) *Bring-down Comfort Letter.* At Closing Time, the Representatives shall have received from Ernst & Young, LLP a letter, dated as of Closing Time, to the effect that they reaffirm the statements made in the letter furnished pursuant to subsection (f) of this Section, except that the specified date referred to shall be a date not more than three business days prior to Closing Time.

(h) *Maintenance of Rating.* At Closing Time, the Securities shall be rated at least Baa2 by Moody's Investors Service Inc. and BBB+ by Standard & Poor's Ratings Services, a division of McGraw-Hill, Inc., and, if requested, the Company shall have delivered to the Representatives a letter dated the Closing Time, from each such rating agency, or other evidence satisfactory to the Representatives, confirming that the Securities have such ratings; and since the date of this Agreement, there shall not have occurred a downgrading in the rating assigned to the Securities or any of the Company's other debt securities by any "nationally recognized statistical rating agency", as that term is defined by the Commission for purposes of Rule 436(g)(2) under the 1933 Act, and no such organization shall have publicly announced that it has under surveillance or review its rating of the Securities or any of the Company's other debt securities.

(i) *Additional Documents.* At Closing Time, counsel for the Initial Purchasers shall have been furnished with such documents and opinions as they may reasonably require for the purpose of enabling them to pass upon the issuance and sale of the Securities as herein contemplated, or in order to evidence the accuracy of any of the representations or warranties, or the fulfillment of any of the conditions, herein contained; and all proceedings taken by the Company in connection with the issuance and sale of the Securities as herein contemplated shall be reasonably satisfactory in form and substance to the Representatives and counsel for the Initial Purchasers.

(j) *Termination of Agreement.* If any condition specified in this Section shall not have been fulfilled when and as required to be fulfilled, this Agreement may be terminated by the Representatives by notice to the Company at any time at or prior to Closing Time, and such termination shall be without liability of any party to any other party except as provided in Section 4 and except that Sections 1, 7, 8 and 9 shall survive any such termination and remain in full force and effect.

SECTION 6. *Subsequent Offers and Resales of the Securities.*

(a) *Offer and Sale Procedures.* Each of the Initial Purchasers and the Company hereby establish and agree to observe the following procedures in connection with the offer and sale of the Securities:

(i) *Offers and Sales only to Qualified Institutional Buyers.* Offers and sales of the Securities shall only be made to persons whom the offeror or seller reasonably believes to be qualified institutional buyers, as defined in Rule 144A under the 1933 Act ("Qualified Institutional Buyers").

(ii) *No General Solicitation.* No general solicitation or general advertising (within the meaning of Rule 502(c) under the 1933 Act) will be used in the United States in connection with the offering or sale of the Securities.

(iii) *Purchases by Non-Bank Fiduciaries.* In the case of a non-bank Subsequent Purchaser of a Security acting as a fiduciary for one or more third parties, each third party shall, in the judgment of the applicable Initial Purchaser, be an Institutional Accredited Investor or a Qualified Institutional Buyer or a non-U.S. person outside the United States, as those terms are defined in Rule 144A.

(iv) *Subsequent Purchaser Notification.* Each Initial Purchaser will take reasonable steps to inform persons acquiring Securities from such Initial Purchaser that the Securities (A) have not been and will not be registered under the 1933 Act, (B) are being sold to them without registration under the 1933 Act in reliance on Rule 144A or in accordance with another exemption from registration under the 1933 Act, as the case may be, and (C) may not be offered, sold or otherwise transferred except (1) to the Company, or (2) in accordance with (x) Rule 144A to a person whom the seller reasonably believes is a Qualified Institutional Buyer that is purchasing such Securities for its own account or for the account of a Qualified Institutional Buyer to whom notice is given that the offer, sale or transfer is being made in reliance on Rule 144A or (y) pursuant to another available exemption from registration under the 1933 Act.

(v) *Restrictions on Transfer.* The transfer restrictions and the other provisions set forth in the Offering Memorandum under the heading "Notice to Investors", including the legend required thereby, shall apply to the Securities except as otherwise agreed by the Company and the Initial Purchasers.

(vi) *Delivery of Offering Memorandum.* Each Initial Purchaser will deliver to each purchaser of the Securities from such Initial Purchaser, in connection with its original distribution of the Securities, a copy of the Offering Memorandum, as amended and supplemented at the date of such delivery.

(b) *Covenants of the Company.* The Company covenants with each Initial Purchaser as follows:

(i) *Integration.* The Company agrees that it will not and will cause its Affiliates not to, directly or indirectly, solicit any offer to buy, sell or make any offer or sale of, or otherwise negotiate in respect of, securities of the Company of any class if, as a result of the doctrine of

"integration" referred to in Rule 502 under the 1933 Act, such offer or sale would render invalid (for the purpose of (A) the sale of the offered Securities by the Company to the Initial Purchasers, (B) the resale of the offered Securities by the Initial Purchasers to Subsequent Purchasers or (C) the resale of the offered Securities by such Subsequent Purchasers to others) the exemption from the registration requirements of the 1933 Act provided by Section 4(2) thereof or by Rule 144A thereunder or otherwise.

(ii) *Rule 144A Information.* The Company agrees that, in order to render the offered Securities eligible for resale pursuant to Rule 144A under the 1933 Act, while any of the offered Securities remain outstanding, it will make available, upon request, to any holder of offered Securities or prospective purchasers of Securities the information specified in Rule 144A(d)(4), unless the Company furnishes information to the Commission pursuant to Section 13 or 15(d) of the 1934 Act.

(iii) *Restriction on Resales.* Until the expiration of two years after the original issuance of the offered securities, the Company will not, and will cause its Affiliates not to, resell any offered Securities which are "restricted securities" (as such term is defined under Rule 144(a)(3) under the 1933 Act), whether as beneficial owner or otherwise (except as agent acting as a securities broker on behalf of and for the account of customers in the ordinary course of business in unsolicited broker's transactions).

(c) *Qualified Institutional Buyer.* Each Initial Purchaser severally and not jointly represents and warrants to, and agrees with, the Company that it is a Qualified Institutional Buyer and an "accredited investor" within the meaning of Rule 501(a) under the 1933 Act (an "Accredited Investor").

SECTION 7. *Indemnification.*

(a) *Indemnification of Initial Purchasers.* The Company agrees to indemnify and hold harmless each Initial Purchaser and each person, if any, who controls any Initial Purchaser within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act as follows:

(i) against any and all loss, liability, claim, damage and expense whatsoever, as incurred, arising out of any untrue statement or alleged untrue statement of a material fact contained in any Preliminary Offering Memorandum or the Final Offering Memorandum (or any amendment thereto) or the omission or alleged omission therefrom of a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(ii) against any and all loss, liability, claim, damage and expense whatsoever, as incurred, to the extent of the aggregate amount paid in settlement of any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or of any claim whatsoever based upon any such untrue statement or omission, or any such alleged untrue statement or omission; provided that (subject to Section 7(d) below) any such settlement is effected with the written consent of the Company; and

(iii) against any and all expense whatsoever, as incurred (including, subject to Section 7(c) hereof, the fees and disbursements of counsel chosen by Banc of America), reasonably incurred in investigating, preparing or defending against any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or any claim whatsoever based upon any such untrue statement or omission, or any such alleged untrue statement or omission, to the extent that any such expense is not paid under (i) or (ii) above;

provided, however, that this indemnity agreement shall not apply to any loss, liability, claim, damage or expense to the extent arising out of any untrue statement or omission or alleged untrue

statement or omission made in reliance upon and in conformity with written information furnished to the Company or special counsel to the Company by any Initial Purchaser expressly for use in the Offering Memorandum (or any amendment or supplement thereto). The foregoing indemnity with respect to any untrue statement contained in or omitted from a Preliminary Offering Memorandum shall not inure to the benefit of any Initial Purchaser (or any person controlling such Initial Purchaser) from whom the person asserting any such loss, liability, claim, damage or expense purchased any of the Securities which are the subject thereof if such person did not receive a copy of the Final Offering Memorandum (or any amendment or supplement thereto) (in each case exclusive of the documents from which information is incorporated by reference) at or prior to the written confirmation of the sale of such Securities to such person and the untrue statement contained in or omitted from such Preliminary Offering Memorandum was corrected in the Final Offering Memorandum (or any amendment or supplement thereto) and provided that the Company has satisfied its obligations pursuant to Section 3(a) of this Agreement to provide the Initial Purchasers with a sufficient number of copies of any amendment or supplement to the Offering Memorandum in a timely manner.

(b) *Indemnification of Company.* Each Initial Purchaser, severally and not jointly, agrees to indemnify and hold harmless the Company and each person, if any, who controls the Company within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act against any and all loss, liability, claim, damage and expense described in the indemnity contained in subsection (a) of this Section, as incurred, but only with respect to untrue statements or omissions, or alleged untrue statements or omissions, made in the Offering Memorandum (or any amendment or supplement thereto) in reliance upon and in conformity with written information furnished to the Company or special counsel to the Company by such Initial Purchaser expressly for use in the Offering Memorandum (or any amendment or supplement thereto), and will reimburse any legal or other expenses reasonably incurred by the Company in connection with investigating or defending such loss, liability, claim, damage, expense or action as such expenses are incurred.

(c) *Actions against Parties; Notification.* Each indemnified party shall give notice as promptly as reasonably practicable to each indemnifying party of any action commenced against it in respect of which indemnity may be sought hereunder, but failure to so notify an indemnifying party shall not relieve such indemnifying party from any liability hereunder to the extent it is not materially prejudiced as a result thereof and in any event shall not relieve it from any liability which it may have otherwise than on account of this indemnity agreement. In the case of parties indemnified pursuant to Section 7(a) above, counsel to the indemnified parties shall be selected by Banc of America and Merrill Lynch, and, in the case of parties indemnified pursuant to Section 7(b) above, counsel to the indemnified parties shall be selected by the Company. If it so elects within a reasonable time after receipt of such notice, an indemnifying party, jointly with any other indemnifying parties receiving such notice, may assume the defense of such action with counsel

chosen by it and approved by the indemnified parties defendant in such action (which approval shall not be unreasonably withheld), unless such indemnified parties reasonably object to such assumption on the ground that there may be legal defenses available to them which are different from or in addition to those available to such indemnifying party. If an indemnifying party assumes the defense of such action, the indemnifying party shall not be liable for any fees and expenses of counsel for the indemnified parties incurred thereafter in connection with such action other than the reasonable costs of investigation. In no event shall the indemnifying parties be liable for fees and expenses of more than one counsel (in addition to any local counsel) separate from their own counsel for all indemnified parties in connection with any one action or separate but similar or related actions in the same jurisdiction arising out of the same general allegations or circumstances. No indemnifying party shall, without the prior written consent of the indemnified parties, settle or compromise or consent to the entry of any judgment with respect to any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened,

or any claim whatsoever in respect of which indemnification or contribution could be sought under this Section 7 or Section 8 hereof (whether or not the indemnified parties are actual or potential parties thereto), unless such settlement, compromise or consent (i) includes an unconditional release of each indemnified party from all liability arising out of such litigation, investigation, proceeding or claim and (ii) does not include a statement as to or an admission of fault, culpability or a failure to act by or on behalf of any indemnified party.

(d) *Settlement without Consent if Failure to Reimburse.* If at any time an indemnified party shall have requested an indemnifying party to reimburse the indemnified party for fees and expenses of counsel, such indemnifying party agrees that it shall be liable for any settlement of the nature contemplated by Section 7(a)(ii) effected without its written consent if (i) such settlement is entered into more than 45 days after receipt by such indemnifying party of the aforesaid request, (ii) such indemnifying party shall have received notice of the terms of such settlement at least 30 days prior to such settlement being entered into and (iii) such indemnifying party shall not have reimbursed such indemnified party in accordance with such request prior to the date of such settlement. Notwithstanding the immediately preceding sentence, if at any time an indemnified party shall have requested an indemnifying party to reimburse the indemnified party for fees and expenses of counsel, an indemnifying party shall not be liable for any settlement of the nature contemplated by Section 7(a)(ii) effected without its consent if such indemnifying party (i) reimburses such indemnified party in accordance with such request to the extent it considers such request to be reasonable and (ii) provides written notice to the indemnified party substantiating the unpaid balance as unreasonable, in each case prior to the date of such settlement.

SECTION 8. *Contribution.* If the indemnification provided for in Section 7 hereof is for any reason (except as provided therein) unavailable to or insufficient to hold harmless an indemnified party in respect of any losses, liabilities, claims, damages or expenses referred to therein, then each indemnifying party shall contribute to the aggregate amount of such losses, liabilities, claims, damages and expenses incurred by such indemnified party, as incurred, (i) in such proportion as is appropriate to reflect the relative benefits received by the Company on the one hand and the Initial Purchasers on the other hand from the offering of the Securities pursuant to this Agreement or (ii) if the allocation provided by clause (i) is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Company on the one hand and of the Initial Purchasers on the other hand in connection with the statements or omissions which resulted in such losses, liabilities, claims, damages or expenses, as well as any other relevant equitable considerations.

The relative benefits received by the Company on the one hand and the Initial Purchasers on the other hand in connection with the offering of the Securities pursuant to this Agreement shall be deemed to be in the same respective proportions as the total net proceeds from the offering of the Securities pursuant to this Agreement (before deducting expenses) received by the Company and the total purchase discount received by the Initial Purchasers, in each case as set forth on the cover of the Offering Memorandum, bear to the aggregate initial offering price of the Securities as set forth on such cover.

The relative fault of the Company on the one hand and the Initial Purchasers on the other hand shall be determined by reference to, among other things, whether any such untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact relates to information supplied by the Company or by the Initial Purchasers and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

The Company and the Initial Purchasers agree that it would not be just and equitable if contribution pursuant to this Section 8 were determined by pro rata allocation (even if the Initial Purchasers were treated as one entity for such purpose) or by any other method of allocation which does not take account of the equitable considerations referred to above in this Section 8. The aggregate amount of losses, liabilities, claims, damages and expenses incurred by an indemnified party and referred to above in this Section 8 shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in investigating, preparing or defending against any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or any claim whatsoever based upon any such untrue or alleged untrue statement or omission or alleged omission.

Notwithstanding the provisions of this Section 8, no Initial Purchaser shall be required to contribute any amount in excess of the amount by which the total price at which the Securities purchased by it and distributed to the subsequent purchaser were offered to the subsequent purchaser exceeds the amount of any damages which such Initial Purchaser has otherwise been required to pay by reason of any such untrue or alleged untrue statement or omission or alleged omission.

No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the 1933 Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

For purposes of this Section 8, each person, if any, who controls an Initial Purchaser within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act shall have the same rights to contribution as such Initial Purchaser, and each person, if any, who controls the Company within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act shall have the same rights to contribution as the Company. The Initial Purchasers' respective obligations to contribute pursuant to this Section are several in proportion to the principal amount of Securities set forth opposite their respective names in Schedule A hereto and not joint.

SECTION 9. *Representations, Warranties and Agreements to Survive Delivery.* All representations, warranties and agreements contained in this Agreement or in certificates of officers of the Company or any of its subsidiaries submitted pursuant hereto, shall remain operative and in full force and effect,

regardless of any investigation made by or on behalf of any Initial Purchaser or controlling person, or by or on behalf of the Company, and shall survive delivery of the Securities to the Initial Purchasers.

SECTION 10. *Termination of Agreement.*

(a) *Termination; General.* The Representatives may terminate this Agreement, by notice to the Company, at any time at or prior to Closing Time (i) if there has been, since the time of execution of this Agreement or since the respective dates as of which information is given in the Offering Memorandum, any material adverse change in the condition, financial or otherwise, or in

the earnings, business affairs or business prospects of the Company and its subsidiaries considered as one enterprise, whether or not arising in the ordinary course of business, or (ii) if there has occurred any material adverse change in the financial markets in the United States or any outbreak of hostilities or escalation thereof or other calamity or crisis, in each case the effect of which is such as to make it, in the reasonable judgment of the Representatives, impracticable or inadvisable to market the Securities or to enforce contracts for the sale of the Securities, or (iii) if trading in the Securities has been suspended or materially limited by the Commission, or if trading generally on the American Stock Exchange or the New York Stock Exchange or in the Nasdaq National Market has been suspended or materially limited, or minimum or maximum prices for trading have been fixed, or maximum ranges for prices have been required, by any of the exchanges or by such system or by order of the Commission, the National Association of Securities Dealers, Inc. or any other governmental authority, or a material disruption has occurred in commercial banking or securities settlement or clearance services in the United States or (iv) if a banking moratorium has been declared by either Federal, New York or Utah authorities.

(b) *Liabilities.* If this Agreement is terminated pursuant to this Section, such termination shall be without liability of any party to any other party (except as provided in Section 4 hereof, and provided further that Sections 1, 7, 8 and 9 shall survive such termination and remain in full force and effect, pursuant to a termination under Section 10(a)(i)).

SECTION 11. *Default by One or More of the Initial Purchasers.* If one or more of the Initial Purchasers shall fail at Closing Time to purchase the Securities which it or they are obligated to purchase under this Agreement (the "Defaulted Securities"), the Representatives shall have the right, within 24 hours thereafter, to make arrangements for one or more of the non-defaulting Initial Purchasers, or any other initial purchasers, to purchase all, but not less than all, of the Defaulted Securities in such amounts as may be agreed upon and upon the terms herein set forth; if, however, the Representatives shall not have completed such arrangements within such 24-hour period, then:

(a) if the number of Defaulted Securities does not exceed 10% of the aggregate principal amount of the Securities to be purchased hereunder, each of the non-defaulting Initial Purchasers shall be obligated, severally and not jointly, to purchase the full amount thereof in the proportions that their respective purchase obligations hereunder bear to the purchase obligations of all non-defaulting Initial Purchasers, or

(b) if the number of Defaulted Securities exceeds 10% of the aggregate principal amount of the Securities to be purchased hereunder, this Agreement shall terminate without liability on the part of any non-defaulting Initial Purchaser.

No action taken pursuant to this Section 11 shall relieve any defaulting Initial Purchaser from liability in respect of its default.

In the event of any such default which does not result in a termination of this Agreement, either the Representatives or the Company shall have the right to postpone the Closing Time for a period not exceeding seven days in order to effect any required changes in the Registration Statement or Prospectus or in any other documents or arrangements. As used herein, the term "Initial Purchaser" includes any person substituted for an Initial Purchaser under this Section 11.

SECTION 12. *Notices.* All notices and other communications hereunder shall be in writing and shall be deemed to have been duly given if mailed or transmitted by any standard form of telecommunication. Notices to the Initial Purchasers shall be directed to the Representatives at the offices of Banc of America, Banc of America Corporate Center, 100 North Tryon Street, Charlotte, North Carolina 28255, attention: Transaction Management, and Merrill Lynch, Four World Financial Center, New York, New York 10008, attention: Scott Primrose; and notices to the Company shall be

directed to it at 180 East 100 South, Salt Lake City, UT, 84111, attention of Stephen E. Parks, Vice President, Treasurer and Chief Financial Officer.

SECTION 13. *Parties.* This Agreement shall each inure to the benefit of and be binding upon the Initial Purchasers and the Company and their respective successors. Nothing expressed or mentioned in this Agreement is intended or shall be construed to give any person, firm or corporation, other than the Initial Purchasers and the Company and their respective successors and the controlling persons referred to in Sections 7 and 8 and their heirs and legal representatives, any legal or equitable right, remedy or claim under or in respect of this Agreement or any provision herein contained. This Agreement and all conditions and provisions hereof are intended to be for the sole and exclusive benefit of the Initial Purchasers and the Company and their respective successors, and the controlling persons and officers and directors and their heirs and legal representatives, and for the benefit of no other person, firm or corporation. No purchaser of Securities from any Initial Purchaser shall be deemed to be a successor by reason merely of such purchase.

SECTION 14. *GOVERNING LAW AND TIME.* THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK. SPECIFIED TIMES OF DAY REFER TO NEW YORK CITY TIME.

SECTION 15. *Effect of Headings.* The Article and Section headings herein and the Table of Contents are for convenience only and shall not affect the construction hereof.

If the foregoing is in accordance with your understanding of our agreement, please sign and return to the Company a counterpart hereof, whereupon this instrument, along with all counterparts, will become a binding agreement among the Initial Purchasers and the Company in accordance with its terms.

Very truly yours,

QUESTAR MARKET RESOURCES, INC.

By: /s/ G. L. NORDLOH

G. L. Nordloh
President and Chief Executive Officer

CONFIRMED AND ACCEPTED,
as of the date first above written:

BANC OF AMERICA SECURITIES LLC

By: /s/ LILY CHANG

Authorized Signatory

MERRILL LYNCH, PIERCE, FENNER & SMITH
INCORPORATED

By: /s/ ROBERT L. JONES

Authorized Signatory

For themselves and as Representatives of the other Initial Purchasers named in Schedule A hereto.

SCHEDULE A

Name of Initial Purchaser	Principal Amount of Securities
Banc of America Securities LLC	$ 60,000,000
Merrill Lynch, Pierce, Fenner & Smith Incorporated	60,000,000
Banc One Capital Markets, Inc	15,000,000
U.S. Bancorp Piper Jaffray Inc	15,000,000
A.G.Edwards & Sons Inc.	10,000,000
First Albany Corporation.	10,000,000
Petrie Parkman& Co., Inc	10,000,000
TD Securities (USA) Inc	10,000,000
First Union Securities, Inc.	10,000,000
Total	$ 200,000,000

SCHEDULE B

QUESTAR MARKET RESOURCES, INC.

$200,000,000 7% Notes due 2007

1. The initial offering price of the Securities shall be 100% of the principal amount thereof, plus accrued interest, if any, from the date of issuance.

2. The purchase price to be paid by the Initial Purchasers for the Securities shall be 99.4% of the principal amount thereof.

3. The interest rate on the Securities shall be 7% per annum.

4. The Securities shall include a make-whole early redemption option with a spread over the applicable pricing Treasury Rate of 50 basis points.

SCHEDULE C

List of subsidiaries

Wexpro Company
Questar Exploration and Production Company
Questar Gas Management Company
Questar Energy Trading Company
Celsius Energy Resources Ltd.

QuickLinks

Exhibit 4.03

THIS SECURITY IS A GLOBAL SECURITY AS REFERRED TO IN THE INDENTURE HEREINAFTER REFERENCED. UNLESS AND UNTIL IT IS EXCHANGED IN WHOLE OR IN PART FOR THE INDIVIDUAL SECURITIES REPRESENTED HEREBY, THIS GLOBAL SECURITY MAY NOT BE TRANSFERRED EXCEPT AS A WHOLE BY THE DEPOSITARY TO A NOMINEE OF THE DEPOSITARY OR BY A NOMINEE OF THE DEPOSITARY TO THE DEPOSITARY OR ANOTHER NOMINEE OF THE DEPOSITARY OR BY THE DEPOSITARY OR ANY SUCH NOMINEE TO A SUCCESSOR DEPOSITARY OR A NOMINEE OF SUCH SUCCESSOR DEPOSITARY.

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL SINCE THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

QUESTAR MARKET RESOURCES, INC.

7% NOTES DUE 2007

No. 1 $200,000,000
CUSIP No. 74836J AC7

QUESTAR MARKET RESOURCES, INC., a corporation duly organized and existing under the laws of Utah (herein called the "Company," which term includes any successor corporation under the Indenture hereinafter referred to), for value received, hereby promises to pay to Cede & Co., or registered assigns, the principal sum of Two Hundred Million Dollars ($200,000,000) on January 16, 2007 and to pay interest thereon from January 16, 2002 or from the most recent Interest Payment Date to which interest has been paid or duly provided for, semi-annually on March 1 and September 1 of each year, commencing March 1, 2002, at the rate of 7% per annum, until the principal hereof is paid or made available for payment, and (to the extent that the payment of such interest shall be legally enforceable) at the rate of 7% per annum on any overdue principal and premium and on any overdue installment of interest. The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will, as provided in such Indenture, be paid to the Person in whose name this Security (or one or more Predecessor Securities) is registered at the close of business on the Regular Record Date for such interest, which shall be the February 15 or August 15 (whether or not a Business Day), as the case may be, next preceding such Interest Payment Date. Any such interest not so punctually paid or duly provided for will forthwith cease to be payable to the Holder on such Regular Record Date and may either be paid to the Person in whose name this Security (or one or more Predecessor Securities) is registered at the close of business on a Special Record Date for the payment of such Defaulted Interest to be fixed by the Trustee, notice whereof shall be given to Holders of Securities of this series not less than 10 days prior to such Special Record Date, or be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Securities of this series may be listed, and upon such notice as may be required by such exchange, all as more fully provided in said Indenture.

Payment of the principal of (and premium, if any) and interest on this Security will be made at the office or agency of the Company in the city of Chicago, Illinois or The City of New York maintained for such purpose, and at any other office or agency maintained by the Company for such purpose, in

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such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts; provided, however, that at the option of the Company payment of interest may be made by check mailed to the address of the Person entitled thereto as such address shall appear in the Security Register.

Reference is hereby made to the further provisions of this Security set forth on the reverse hereof, which further provisions shall for all purposes have the same effect as if set forth at this place.

Unless the certificate of authentication hereon has been executed by the Trustee referred to on the reverse hereof by manual signature, this Security shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, the Company has caused this instrument to be duly executed under its corporate seal.

Dated: , 2002

QUESTAR MARKET RESOURCES, INC.

By: _____
Name:
Title:

Attest:

By: _____
Name:
Title:

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is one of the Securities of the series designated herein referred to in the within-mentioned Indenture.

BANK ONE, NA
as Trustee

By: _____
Authorized Signatory

(REVERSE OF SECURITY)

This Security is one of a duly authorized issue of debt securities of the Company (herein called the "Securities"), issued and to be issued in one or more series under an Indenture, dated as of March 1, 2001 (herein called the "Indenture", which term shall have the meaning assigned to it in such instrument), between the Company and Bank One, NA, as trustee (herein called the "Trustee", which term includes any successor trustee under the Indenture), and reference is hereby made to the Indenture and all indentures supplemental thereto for a statement of the respective rights, limitations of rights, duties and immunities thereunder of the Company, the Trustee and the Holders of the Securities and of the terms upon which the Securities are, and are to be, authenticated and delivered. This Security is one of the series designated on the face hereof, limited in aggregate principal amount to $200,000,000.

The Securities of this series are subject to redemption upon not less than 30 nor more than 60 days' notice by first-class mail, at any time, as a whole or in part, at the election of the Company, at a Redemption Price equal to the greater of (i) 100% of the principal amount of the Securities of this series to be redeemed or (ii) the sum of the present values of the remaining scheduled payments of principal and interest on the Securities of this series to be redeemed (not including any portion of such payments of interest accrued as of the Redemption Date) discounted to the Redemption Date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate plus 30 basis points, plus, in each case, accrued and unpaid interest on the principal amount of the Securities of this series being redeemed to the Redemption Date; *provided* that interest payments due on or prior to the Redemption Date will be paid to the record holders of such Securities on the relevant record date. As used herein the following terms will have the definitions given below:

"Treasury Rate" means, with respect to any Redemption Date, the rate per annum equal to the semiannual equivalent yield to maturity or interpolated (on a day count basis) of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such Redemption Date.

"Comparable Treasury Issue" means the United States Treasury security or securities selected by an Independent Investment Banker as having a maturity or interpolated (on a day count basis) comparable to the remaining term of the Securities of this series to be redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of a comparable maturity to the remaining term of the Securities.

"Independent Investment Banker" means one of the Reference Treasury Dealers appointed by the Trustee after consultation with the Company.

"Comparable Treasury Price" means, with respect to any Redemption Date, (i) the average of the Reference Treasury Dealer Quotations for such Redemption Date, after excluding the highest and lowest such Reference Treasury Dealer Quotations, or (ii) if the Trustee obtains fewer than four such Reference Treasury Dealer Quotations, the average of all such quotations.

"Reference Treasury Dealer Quotations" means, with respect to each Reference Treasury Dealer and any Redemption Date, the average, as determined by the Trustee, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Trustee by such Reference Treasury Dealer at 3:30 p.m. New York time on the third business day in The City of New York preceding such Redemption Date.

"Reference Treasury Dealer" means at least five primary U.S. Government securities dealers in The City of New York as the Company shall select.

In the event of redemption of this Security in part only, a new Security or Securities of this series and of like tenor for the unredeemed portion hereof will be issued in the name of the Holder hereof upon the cancellation hereof.

There is no sinking fund or mandatory redemption obligation applicable to the Securities of this series.

If a Change of Control occurs and is accompanied by a Rating Decline (together, a "Change of Control Triggering Event"), the Holder will have the right to require the Company to offer to repurchase all or any part (equal to $1,000 or an integral multiple thereof) of such Holder's Securities of this series at a purchase price in cash equal to the principal amount of such Securities plus accrued and unpaid interest, if any, to the date of purchase. Within 30 days following any Change of Control Triggering Event, the Company will mail the Change of Control Offer to each registered Holder with a copy to the Trustee. No earlier than 30 days nor later than 60 days from the date such Change of Control Offer is mailed (the "Change of Control Payment Date"), the Company will, to the extent lawful, (i) accept for payment all Securities of this series or portions thereof (in integral multiples of $1,000) properly tendered and not withdrawn under the Change of Control Offer, (ii) deposit with the Paying Agent an amount equal to the Change of Control Payment in respect of all Securities of this series or portions thereof so tendered, and (iii) deliver or cause to be delivered to the Trustee the Securities of this series so accepted together with an Officers' Certificate stating the aggregate principal amount of such Securities or portions thereof being purchased by the Company.

If an Event of Default with respect to Securities of this series shall occur and be continuing, the principal amount of the Securities of this series may be declared due and payable in the manner and with the effect and subject to the conditions provided in the Indenture.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Company and the rights of the Holders of the Securities of each series to be affected under the Indenture at any time by the Company and the Trustee with the consent of the Holders of a majority in principal amount of the Securities at the time Outstanding of each series to be affected. The Indenture also contains provisions permitting the Holders of a majority in principal amount of the Securities of each series at the time Outstanding, on behalf of the Holders of all Securities of such series, to waive compliance by the Company with certain provisions of the Indenture and certain past defaults under the Indenture and their consequences. Any such consent or waiver by the Holder of this Security shall be conclusive and binding upon such Holder and upon all future Holders of this Security and of any Security issued upon the registration of transfer hereof or in exchange herefor or in lieu hereof, whether or not notation of such consent or waiver is made upon this Security.

No reference herein to the Indenture and no provision of this Security or of the Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of (and premium, if any) and interest on this Security at the times, place and rate, and in the coin or currency, herein prescribed.

As provided in the Indenture and subject to certain limitations therein set forth, the transfer of this Security is registrable in the Security Register, upon surrender of this Security for registration of transfer at the office or agency of the Company in any place where the principal of (and premium, if any) and interest on this Security are payable, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Company and the Security Registrar duly executed by, the Holder hereof or his attorney duly authorized in writing, and thereupon one or more new Securities of this series and of like tenor, of authorized denominations and for the same aggregate principal amount, will be issued to the designated transferee or transferees.

The Securities of this series are issuable only in registered form without coupons in denominations of $1,000 and any integral multiple thereof. As provided in the Indenture and subject to certain limitations therein set forth, Securities of this series are exchangeable for a like aggregate principal amount of Securities of this series and of like tenor of a different authorized denomination, as requested by the Holder surrendering the same.

No service charge shall be made for any such registration of transfer or exchange, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

Prior to due presentment of this Security for registration of transfer, the Company, the Trustee and any agent of the Company or the Trustee may treat the Person in whose name this Security is registered as the owner hereof for all purposes, whether or not this Security be overdue, and neither the Company, the Trustee nor any such agent shall be affected by notice to the contrary.

All terms used in this Security which are defined in the Indenture shall have the meanings assigned to them in the Indenture.

QuickLinks -- Click here to rapidly navigate through this document

Exhibit 4.04

Registration Rights Agreement

Dated As of January 9, 2002

among

Questar Market Resources, Inc.
and

Banc of America Securities LLC

Merrill Lynch, Pierce, Fenner & Smith Incorporated

REGISTRATION RIGHTS AGREEMENT

This Registration Rights Agreement (the "Agreement") is made and entered into this 9th day of January, 2002, among Questar Market Resources, Inc., a Utah corporation (the "Company"), and Banc of America Securities LLC ("Banc of America Securities") and Merrill Lynch, Pierce, Fenner & Smith Incorporated ("Merrill Lynch"), as representatives of the Initial Purchasers named in the Purchase Agreement referred to below (collectively, the "Initial Purchasers").

This Agreement is made pursuant to the Purchase Agreement, dated January 9, 2002, among the Company and the Initial Purchasers (the "Purchase Agreement"), which provides for the sale by the Company to the Initial Purchasers of an aggregate of $200 million principal amount of the Company's 7% Notes due 2007 (the "Securities"). In order to induce the Initial Purchasers to enter into the Purchase Agreement, the Company has agreed to provide to the Initial Purchasers and their direct and indirect transferees the registration rights set forth in this Agreement. The execution of this Agreement is a condition to the closing under the Purchase Agreement.

In consideration of the foregoing, the parties hereto agree as follows:

1. *Definitions.*

As used in this Agreement, the following capitalized defined terms shall have the following meanings:

"*1933 Act*" shall mean the Securities Act of 1933, as amended from time to time.

"*1934 Act*" shall mean the Securities Exchange Act of 1934, as amended from time to time.

"*Closing Date*" shall mean the Closing Time as defined in the Purchase Agreement.

"*Company*" shall have the meaning set forth in the preamble and shall also include the Company's successors.

"*Depositary*" shall mean The Depository Trust Company, or its nominee, or any other depositary appointed by the Company, *provided, however*, that such depositary must have an address in the Borough of Manhattan, in the City of New York.

"*Exchange Offer*" shall mean the exchange offer by the Company of Exchange Securities for Registrable Securities pursuant to Section 2.1 hereof.

"*Exchange Offer Registration*" shall mean a registration under the 1933 Act effected pursuant to Section 2.1 hereof.

"*Exchange Offer Registration Statement*" shall mean an exchange offer registration statement on Form S-4 (or, if applicable, on another appropriate form), and all amendments and supplements to such registration statement, including the Prospectus contained therein, all exhibits thereto and all documents incorporated by reference therein.

"*Exchange Period*" shall have the meaning set forth in Section 2.1 hereof.

"*Exchange Securities*" shall mean the 7% Notes due 2007 issued by the Company under the Indenture containing terms identical to the Securities in all material respects (except for references to certain interest rate provisions, restrictions on transfers and restrictive legends), to be offered to Holders of Securities in exchange for Registrable Securities pursuant to the Exchange Offer.

"*Holder*" shall mean an Initial Purchaser, for so long as it owns any Registrable Securities, and each of its successors, assigns and direct and indirect transferees who become registered owners of Registrable Securities under the Indenture and each Participating Broker-Dealer that holds Exchange Securities for so long as such Participating Broker-Dealer is required to deliver a prospectus meeting the requirements of the 1933 Act in connection with any resale of such Exchange Securities.

"*Indenture*" shall mean the Indenture relating to the Securities, dated as of March 1, 2001, between the Company and Bank One, NA, as Trustee, as the same may be amended, supplemented, waived or otherwise modified from time to time in accordance with the terms thereof.

"*Initial Purchaser*" or "*Initial Purchasers*" shall have the meaning set forth in the preamble.

"*Majority Holders*" shall mean the Holders of a majority of the aggregate principal amount of Outstanding (as defined in the Indenture) Registrable Securities; *provided* that whenever the consent or approval of Holders of a specified percentage of Registrable Securities is required hereunder, Registrable Securities held by the Company and other obligors on the Securities or any Affiliate (as defined in the Indenture) of the Company shall be disregarded in determining whether such consent or approval was given by the Holders of such required percentage amount.

"*Participating Broker-Dealer*" shall mean any Initial Purchaser and any other broker-dealer which makes a market in the Securities and exchanges Registrable Securities in the Exchange Offer for Exchange Securities.

"*Person*" shall mean an individual, partnership (general or limited), corporation, limited liability company, trust or unincorporated organization, or a government or agency or political subdivision thereof.

"*Private Exchange*" shall have the meaning set forth in Section 2.1 hereof.

"*Private Exchange Securities*" shall have the meaning set forth in Section 2.1 hereof.

"*Prospectus*" shall mean the prospectus included in a Registration Statement, including any preliminary prospectus, and any such prospectus as amended or supplemented by any prospectus supplement, including any such prospectus supplement with respect to the terms of the offering of any portion of the Registrable Securities covered by a Shelf Registration Statement, and by all other amendments and supplements to a prospectus, including post-effective amendments, and in each case including all material incorporated by reference therein.

"*Purchase Agreement*" shall have the meaning set forth in the preamble.

"*Registrable Securities*" shall mean the Securities and, if issued, the Private Exchange Securities; *provided, however*, that Securities and, if issued, the Private Exchange Securities, shall cease to be Registrable Securities when (i) a Registration Statement with respect to such Securities shall have been declared effective under the 1933 Act and such Securities shall have been disposed of pursuant to such Registration Statement, (ii) such Securities have been sold to the public pursuant to Rule 144 (or any similar provision then in force, but not Rule 144A) under the 1933 Act, (iii) such Securities shall have ceased to be outstanding or (iv) the Exchange Offer is consummated (except in the case of Securities purchased from the Company and continued to be held by the Initial Purchasers).

"*Registration Expenses*" shall mean any and all expenses incident to performance of or compliance by the Company with this Agreement, including without limitation: (i) all SEC, stock exchange or National Association of Securities Dealers, Inc. (the "NASD") registration and filing fees, including, if applicable, the fees and expenses of any "qualified independent underwriter" (and its counsel) that is required to be retained by any holder of Registrable Securities in accordance with the rules and regulations of the NASD, (ii) all fees and expenses incurred in connection with compliance with state securities or blue sky laws and compliance with the rules of the NASD (including reasonable fees and disbursements of counsel for any underwriters or Holders in connection with blue sky qualification of any of the Exchange Securities or Registrable Securities and any filings with the NASD), (iii) all expenses of any Persons in preparing or assisting in preparing, word processing, printing and distributing any Registration Statement, any Prospectus, any amendments or supplements thereto, any underwriting agreements, securities sales agreements and other documents relating to the performance of and compliance with this Agreement, (iv) all fees and expenses incurred in connection with the

listing, if any, of any of the Registrable Securities on any securities exchange or exchanges, (v) all rating agency fees, (vi) the fees and disbursements of counsel for the Company and of the independent public accountants of the Company, including the expenses of any special audits or "cold comfort" letters required by or incident to such performance and compliance, (vii) the fees and expenses of the Trustee, and any escrow agent or custodian, (viii) the reasonable fees and expenses of the Initial Purchasers in connection with the Exchange Offer, including the reasonable fees and expenses of Sidley Austin Brown & Wood LLP, counsel to the Initial Purchasers, in connection therewith, (ix) the reasonable fees and disbursements of special counsel representing the Holders of Registrable Securities, if any, and (x) any fees and disbursements of the underwriters customarily required to be paid by issuers or sellers of securities and the fees and expenses of any special experts retained by the Company in connection with any Registration Statement, but excluding underwriting discounts and commissions and transfer taxes, if any, relating to the sale or disposition of Registrable Securities by a Holder.

"*Registration Statement*" shall mean any registration statement of the Company which covers any of the Exchange Securities or Registrable Securities pursuant to the provisions of this Agreement, and all amendments and supplements to any such Registration Statement, including post-effective amendments, in each case including the Prospectus contained therein, all exhibits thereto and all material incorporated by reference therein.

"*SEC*" shall mean the Securities and Exchange Commission or any successor agency or government body performing the functions currently performed by the United States Securities and Exchange Commission.

"*Shelf Registration*" shall mean a registration effected pursuant to Section 2.2 hereof.

"*Shelf Registration Statement*" shall mean a "shelf" registration statement of the Company pursuant to the provisions of Section 2.2 of this Agreement which covers all of the Registrable Securities or all of the Private Exchange Securities on an appropriate form under Rule 415 under the 1933 Act, or any similar rule that may be adopted by the SEC, and all amendments and supplements to such registration statement, including post-effective amendments, in each case including the Prospectus contained therein, all exhibits thereto and all material incorporated by reference therein.

"*Trustee*" shall mean the trustee with respect to the Securities under the Indenture.

2. *Registration Under the 1933 Act.*

2.1 *Exchange Offer.* The Company shall, for the benefit of the Holders, at the Company's cost, (A) prepare and, as soon as practicable but not later than 60 days following the Closing Date, file with the SEC an Exchange Offer Registration Statement on an appropriate form under the 1933 Act with respect to a proposed Exchange Offer and the issuance and delivery to the Holders, in exchange for the Registrable Securities (other than Private Exchange Securities), of a like principal amount of Exchange Securities, (B) use its reasonable best efforts to cause the Exchange Offer Registration Statement to be declared effective under the 1933 Act within 180 days of the Closing Date and (C) use its reasonable best efforts to cause the Exchange Offer to be consummated not later than 45 days after the Exchange Offer Registration Statement becomes effective. The Exchange Securities will be issued under the Indenture. Upon the effectiveness of the Exchange Offer Registration Statement, the Company shall promptly commence the Exchange Offer, it being the objective of such Exchange Offer to enable each Holder eligible and electing to exchange Registrable Securities for Exchange Securities (assuming that such Holder (a) is not an affiliate of the Company within the meaning of Rule 405 under the 1933 Act, (b) is not a broker-dealer tendering Registrable Securities acquired directly from the Company for its own account, (c) acquired the Exchange Securities in the ordinary course of such Holder's business and (d) has no arrangements or understandings with any Person to participate in the Exchange Offer for the purpose of distributing the Exchange Securities) to transfer such Exchange

Securities from and after their receipt without any limitations or restrictions under the 1933 Act and under state securities or blue sky laws.

In connection with the Exchange Offer, the Company shall:

(a) mail as promptly as practicable after the Registration Statement becomes effective to each Holder a copy of the Prospectus forming part of the Exchange Offer Registration Statement, together with an appropriate letter of transmittal and related documents;

(b) keep the Exchange Offer open for acceptance for a period of not less than 20 calendar days after the date notice thereof is mailed to the Holders (or longer, if required by applicable law or otherwise extended by us, at our option) (such period referred to herein as the "Exchange Period");

(c) utilize the services of the Depositary for the Exchange Offer;

(d) permit Holders to withdraw tendered Registrable Securities at any time prior to 5:00 p.m. (Eastern Time), on the last business day of the Exchange Period, by sending to the institution specified in the notice, a telegram, telex, facsimile transmission or letter setting forth the name of such Holder, the principal amount of Registrable Securities delivered for exchange, and a statement that such Holder is withdrawing such Holder's election to have such Securities exchanged;

(e) notify each Holder that any Registrable Security not tendered will remain outstanding and continue to accrue interest, but will not retain any rights under this Agreement (except in the case of the Initial Purchasers and Participating Broker-Dealers as provided herein); and

(f) otherwise comply in all respects with all applicable laws relating to the Exchange Offer.

If, prior to consummation of the Exchange Offer, the Initial Purchasers hold any Securities acquired by them and having the status of an unsold allotment in the initial distribution, the Company upon the request of any Initial Purchaser shall, simultaneously with the delivery of the Exchange Securities in the Exchange Offer, issue and deliver to such Initial Purchaser in exchange (the "Private Exchange") for the Securities held by such Initial Purchaser, a like principal amount of debt securities of the Company, that are identical (except that such securities shall bear appropriate transfer restrictions) to the Exchange Securities (the "Private Exchange Securities").

The Exchange Securities and the Private Exchange Securities shall be issued under (i) the Indenture or (ii) an indenture identical in all material respects to the Indenture and which, in either case, has been qualified under the Trust Indenture Act of 1939, as amended (the "TIA"), or is exempt from such qualification and shall provide that the Exchange Securities shall not be subject to the transfer restrictions set forth in the Indenture but that the Private Exchange Securities shall be subject to such transfer restrictions. The Indenture or such indenture shall provide that the Exchange Securities, the Private Exchange Securities and the Securities shall vote and consent together on all matters as one class and that none of the Exchange Securities, the Private Exchange Securities or the Securities will have the right to vote or consent as a separate class on any matter. The Private Exchange Securities shall be of the same series as and the Company shall use all commercially reasonable efforts to have the Private Exchange Securities bear the same CUSIP number as the Exchange Securities. The Company shall not have any liability under this Agreement solely as a result of such Private Exchange Securities not bearing the same CUSIP number as the Exchange Securities.

As soon as practicable after the close of the Exchange Offer and/or the Private Exchange, as the case may be, the Company shall:

(i) accept for exchange all Registrable Securities duly tendered and not validly withdrawn pursuant to the Exchange Offer in accordance with the terms of the Exchange Offer Registration Statement and the letter of transmittal which shall be an exhibit thereto;

(ii) accept for exchange all Securities properly tendered pursuant to the Private Exchange;

(iii) deliver to the Trustee for cancellation all Registrable Securities so accepted for exchange; and

(iv) cause the Trustee promptly to authenticate and deliver Exchange Securities or Private Exchange Securities, as the case may be, to each Holder of Registrable Securities so accepted for exchange in a principal amount equal to the principal amount of the Registrable Securities of such Holder so accepted for exchange.

Interest on each Exchange Security and Private Exchange Security will accrue from the last date on which interest was paid on the Registrable Securities surrendered in exchange therefor or, if no interest has been paid on the Registrable Securities, from the date of original issuance. The Exchange Offer and the Private Exchange shall not be subject to any conditions, other than (i) that the Exchange Offer or the Private Exchange, or the making of any exchange by a Holder, does not violate applicable law or any applicable interpretation of the staff of the SEC, (ii) the due tendering of Registrable Securities in accordance with the Exchange Offer and the Private Exchange, (iii) that each Holder of Registrable Securities exchanged in the Exchange Offer shall have represented that all

Exchange Securities to be received by it shall be acquired in the ordinary course of its business and that at the time of the consummation of the Exchange Offer it shall have no arrangement or understanding with any person to participate in the distribution (within the meaning of the 1933 Act) of the Exchange Securities and shall have made such other representations as may be reasonably necessary under applicable SEC rules, regulations or interpretations to render the use of Form S-4 or other appropriate form under the 1933 Act available and (iv) that no action or proceeding shall have been instituted or threatened in any court or by or before any governmental agency with respect to the Exchange Offer or the Private Exchange which, in the Company's judgment, would reasonably be expected to impair the ability of the Company to proceed with the Exchange Offer or the Private Exchange. The Company shall inform the Initial Purchasers of the names and addresses of the Holders to whom the Exchange Offer is made, and the Initial Purchasers shall have the right to contact such Holders and otherwise facilitate the tender of Registrable Securities in the Exchange Offer.

2.2 *Shelf Registration.* (i) If, because of any changes in law, SEC rules or regulations or applicable interpretations thereof by the staff of the SEC, the Company is not permitted to effect the Exchange Offer as contemplated by Section 2.1 hereof, (ii) if for any other reason the Exchange Offer Registration Statement is not declared effective within 180 days following the original issue of the Registrable Securities or the Exchange Offer is not consummated within 45 days after the Exchange Offer Registration Statement becomes effective, (iii) if, upon the request of any of the Initial Purchasers made within 90 days after the consummation of the Exchange Offer with respect to Securities not eligible to be exchanged in the Exchange Offer and held by such Initial Purchaser following the consummation of the Exchange Offer or (iv) if a Holder is not permitted to participate in the Exchange Offer or does not receive fully tradable Exchange Securities pursuant to the Exchange Offer, then in case of each of clauses (i) through (iv) the Company shall, at its cost:

(a) As promptly as practicable, file with the SEC no later than (i) 210 days after the Closing Date or (ii) 60 days after the filing obligation arises, whichever is later, and thereafter shall use its reasonable best efforts to cause to be declared effective as promptly as practicable but no later

than 240 days after the original issue of the Registrable Securities (or 90 days after a request by any Initial Purchaser), a Shelf Registration Statement relating to the offer and sale of the Registrable Securities by the Holders from time to time in accordance with the methods of distribution elected by the Majority Holders participating in the Shelf Registration and set forth in such Shelf Registration Statement.

(b) Use its reasonable best efforts to keep the Shelf Registration Statement continuously effective in order to permit the Prospectus forming part thereof to be usable by Holders for a period of two years from the date the Shelf Registration Statement is declared effective by the SEC, or for such shorter period that will terminate when all Registrable Securities covered by the Shelf Registration Statement have been sold pursuant to the Shelf Registration Statement or cease to be outstanding or otherwise to be Registrable Securities (the "Effectiveness Period"); *provided, however*, that the Effectiveness Period in respect of the Shelf Registration Statement shall be extended to the extent required to permit dealers to comply with the applicable prospectus delivery requirements of Rule 174 under the 1933 Act and as otherwise provided herein.

(c) Notwithstanding any other provisions hereof, use its reasonable best efforts to ensure that (i) any Shelf Registration Statement and any amendment thereto and any Prospectus forming part thereof and any supplement thereto complies in all material respects with the 1933 Act and the rules and regulations thereunder, (ii) any Shelf Registration Statement and any amendment thereto does not, when it becomes effective, contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading and (iii) any Prospectus forming part of any Shelf Registration Statement, and any supplement to such Prospectus (as amended or supplemented from time to time), does not include an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements, in light of the circumstances under which they were made, not misleading.

The Company shall not permit any securities other than Registrable Securities to be included in the Shelf Registration Statement. The Company further agrees, if necessary, to supplement or amend the Shelf Registration Statement, as required by Section 3(b) below, and to furnish to the Holders of Registrable Securities copies of any such supplement or amendment promptly after its being used or filed with the SEC.

2.3 *Expenses.* The Company shall pay all Registration Expenses in connection with the registration pursuant to Section 2.1 or 2.2 hereof and shall reimburse the Holders for the reasonable fees and disbursements of a single counsel, which shall be Sidley Austin Brown & Wood LLP, to act as counsel therefor in connection therewith. Each Holder shall pay all underwriting discounts and commissions and transfer taxes, if any, relating to the sale or disposition of such Holder's Registrable Securities pursuant to the Shelf Registration Statement.

2.4. *Effectiveness.* (a) The Company will be deemed not have used its reasonable best efforts to cause the Exchange Offer Registration Statement or the Shelf Registration Statement, as the case may be, to become, or to remain, effective during the requisite period if the Company voluntarily takes any action that would, or omits to take any action which omission would, result in any such Registration Statement not being declared effective or in the Holders of Registrable Securities covered thereby not being able to exchange or offer and sell such Registrable Securities during that period as and to the extent contemplated hereby, unless such action is required by applicable law.

(b) An Exchange Offer Registration Statement pursuant to Section 2.1 hereof or a Shelf Registration Statement pursuant to Section 2.2 hereof will not be deemed to have become effective unless it has been declared effective by the SEC; *provided, however*, that if, after it has been declared effective, the offering of Registrable Securities pursuant to an Exchange Offer Registration Statement or a Shelf Registration Statement is interfered with by any stop order, injunction or other order or requirement of the SEC or any other governmental agency or court, such Registration Statement will be deemed not to have become effective during the period of such interference, until the offering of Registrable Securities pursuant to such Registration Statement may legally resume.

2.5 *Interest.* The Indenture executed in connection with the Securities will provide that in the event that either (a) the Exchange Offer Registration Statement is not filed with the Commission on or prior to the 60th day following the Closing Date, (b) the Shelf Registration Statement is not filed with the Commission on or prior to (i) the 210th day after the Closing Date or (ii) the 60th day after such filing obligation arises, whichever is later, (c) the Exchange Offer Registration Statement has not been declared effective by the Commission on or prior to the 180th day following the Closing Date, (d) the Shelf Registration Statement has not been declared effective by the Commission on or prior to the 240th day following the Closing Date (or 90 days after a request by any Initial Purchaser), (e) the Exchange Offer is not consummated on or prior to the 45th day after the Exchange Offer Registration Statement becomes effective or (f) the Shelf Registration Statement is declared effective but thereafter ceases to be effective or usable in connection with the resale of the Securities, provided that during any 365-day period, the Company shall be able to suspend the availability of the Shelf Registration Statement for up to two periods of up to 45 consecutive days (except for the 45 consecutive days immediately prior to the maturity of the Securities), but for no more than an aggregate of 90 days during any 365-day

period, if the Company's Board of Directors determines in good faith that there is a valid purpose for the suspension—(each such event referred to in clauses (a) through (f) above, a "Registration Default"), the interest rate borne by the Securities shall be increased ("Additional Interest") by one-quarter of one percent per annum upon the occurrence of each Registration Default, which rate will increase by one quarter of one percent each 90-day period that such Additional Interest continues to accrue under any such circumstance, provided that the maximum aggregate increase in the interest rate will in no event exceed one-half of one percent (0.5%) per annum for each of the Securities. Following the cure of all Registration Defaults the accrual of Additional Interest will cease and the interest rate will revert to the original rate. Additional Interest shall be computed based on the actual number of days that a Registration Default occurs and is continuing.

The Company shall notify the Trustee within three business days after each and every date on which an event occurs in respect of which Additional Interest is required to be paid (an "Event Date"). Additional Interest shall be paid by depositing with the Trustee, in trust, for the benefit of the Holders of Registrable Securities, on or before the applicable semiannual interest payment date, immediately available funds in sums sufficient to pay the Additional Interest then due. The Additional Interest due shall be payable on each interest payment date to the record Holder of Securities entitled to receive the interest payment to be paid on such date as set forth in the Indenture. Each obligation to pay Additional Interest shall be deemed to accrue from and including the day following the applicable Event Date.

3. *Registration Procedures.*

In connection with the obligations of the Company with respect to Registration Statements pursuant to Sections 2.1 and 2.2 hereof, the Company shall:

(a) prepare and file with the SEC a Registration Statement, within the relevant time period specified in Section 2, on the appropriate form under the 1933 Act, which form (i) shall be selected by the Company, (ii) shall, in the case of a Shelf Registration, be available for the sale of the Registrable Securities by the selling Holders thereof, (iii) shall comply as to form in all material respects with the requirements of the applicable form and include or incorporate by reference all financial statements required by the SEC to be filed therewith or incorporated by reference therein, and (iv) shall comply in all respects with the requirements of Regulation S-T under the 1933 Act, and use its reasonable best efforts to cause such Registration Statement to become effective and remain effective in accordance with Section 2 hereof;

(b) prepare and file with the SEC such amendments and post-effective amendments to each Registration Statement as may be necessary under applicable law to keep such Registration Statement effective for the applicable period; and cause each Prospectus to be supplemented by

any required prospectus supplement, and as so supplemented to be filed pursuant to Rule 424 (or any similar provision then in force) under the 1933 Act and comply with the provisions of the 1933 Act, the 1934 Act and the rules and regulations thereunder applicable to them with respect to the disposition of all securities covered by each Registration Statement during the applicable period in accordance with the intended method or methods of distribution by the selling Holders thereof (including sales by any Participating Broker-Dealer);

(c) in the case of a Shelf Registration, (i) notify each Holder of Registrable Securities, at least five business days prior to filing, that a Shelf Registration Statement with respect to the Registrable Securities is being filed and advising such Holders that the distribution of Registrable Securities will be made in accordance with the method selected by the Majority Holders participating in the Shelf Registration; (ii) furnish to each Holder of Registrable Securities and to each underwriter of an underwritten offering of Registrable Securities, if any, without charge, as many copies of each Prospectus, including each preliminary Prospectus, and any amendment or supplement thereto and such other documents as such Holder or underwriter may reasonably request, including financial statements and schedules and, if the Holder so requests, all exhibits in order to facilitate the public sale or other disposition of the Registrable Securities; and (iii) hereby consent to the use of the Prospectus or any amendment or supplement thereto by each of the selling Holders of Registrable Securities in connection with the offering and sale of the Registrable Securities covered by the Prospectus or any amendment or supplement thereto;

(d) use its reasonable best efforts to register or qualify the Registrable Securities under all applicable state securities or "blue sky" laws of such jurisdictions as any Holder of Registrable Securities covered by a Registration Statement and each underwriter of an underwritten offering of Registrable Securities shall reasonably request by the time the applicable Registration Statement is declared effective by the SEC, and do any and all other acts and things which may be reasonably necessary or advisable to enable each such Holder and underwriter to consummate the disposition in each such jurisdiction of such Registrable Securities owned by such Holder; *provided, however*, that the Company shall not be required to (i) qualify as a foreign corporation or as a dealer in securities in any jurisdiction where it would not otherwise be required to qualify but for this Section 3(d), or (ii) take any action which would subject it to general service of process or taxation in any such jurisdiction where it is not then so subject;

(e) notify promptly each Holder of Registrable Securities under a Shelf Registration or any Participating Broker-Dealer who has notified the Company that it is utilizing the Exchange Offer Registration Statement as provided in paragraph (f) below and, if requested by such Holder or Participating Broker-Dealer, confirm such advice in writing promptly (i) when a Registration Statement has become effective and when any post-effective amendments and supplements thereto become effective, (ii) of any request by the SEC or any state securities authority for post-effective amendments and supplements to a Registration Statement and Prospectus or for additional information after the Registration Statement has become effective, (iii) of the issuance by the SEC or any state securities authority of any stop order suspending the effectiveness of a Registration Statement or the initiation of any proceedings for that purpose, (iv) in the case of a Shelf Registration, if, between the effective date of a Registration Statement and the closing of any sale of Registrable Securities covered thereby, the representations and warranties of the Company contained in any underwriting agreement, securities sales agreement or other similar agreement, if any, relating to the offering cease to be true and correct in all material respects, (v) of the happening of any event or the discovery of any facts during the period a Shelf Registration Statement is effective which makes any statement made in such Registration Statement or the related Prospectus untrue in any material respect or which requires the making of any changes in such Registration Statement or Prospectus in order to make the statements therein not misleading, (vi) of the receipt by the Company of any notification with respect to the suspension of the

qualification of the Registrable Securities or the Exchange Securities, as the case may be, for sale in any jurisdiction or the initiation or threatening of any proceeding for such purpose and (vii) of any determination by the Company that a post-effective amendment to such Registration Statement would be

appropriate;

(f) (A) in the case of the Exchange Offer Registration Statement (i) include in the Exchange Offer Registration Statement a section entitled "Plan of Distribution" which section shall be reasonably acceptable to Merrill Lynch on behalf of the Participating Broker-Dealers, and which shall contain a summary statement of the positions taken or policies made by the staff of the SEC with respect to the potential "underwriter" status of any broker-dealer that holds Registrable Securities acquired for its own account as a result of market-making activities or other trading activities and that will be the beneficial owner (as defined in Rule 13d-3 under the Exchange Act) of Exchange Securities to be received by such broker-dealer in the Exchange Offer, whether such positions or policies have been publicly disseminated by the staff of the SEC or such positions or policies, in the reasonable judgment of Merrill Lynch on behalf of the Participating Broker-Dealers and its counsel, represent the prevailing views of the staff of the SEC, including a statement that any such broker-dealer who receives Exchange Securities for Registrable Securities pursuant to the Exchange Offer may be deemed a statutory underwriter and must deliver a prospectus meeting the requirements of the 1933 Act in connection with any resale of such Exchange Securities, (ii) furnish to each Participating Broker-Dealer who has delivered to the Company the notice referred to in Section 3(e), without charge, as many copies of each Prospectus included in the Exchange Offer Registration Statement, including any preliminary prospectus, and any amendment or supplement thereto, as such Participating Broker-Dealer may reasonably request, (iii) hereby consent to the use of the Prospectus forming part of the Exchange Offer Registration Statement or any amendment or supplement thereto, by any Person subject to the prospectus delivery requirements of the SEC, including all Participating Broker-Dealers, in connection with the sale or transfer of the Exchange Securities covered by the Prospectus or any amendment or supplement thereto, and (iv) include in the transmittal letter or similar documentation to be executed by an exchange offeree in order to participate in the Exchange Offer (x) the following provision:

> "If the exchange offeree is a broker-dealer holding Registrable Securities acquired for its own account as a result of market-making activities or other trading activities, it will deliver a prospectus meeting the requirements of the 1933 Act in connection with any resale of Exchange Securities received in respect of such Registrable Securities pursuant to the Exchange Offer;" and

(y) a statement to the effect that by a broker-dealer making the acknowledgment described in clause (x) and by delivering a Prospectus in connection with the exchange of Registrable Securities, the broker-dealer will not be deemed to admit that it is an underwriter within the meaning of the 1933 Act; and

> (B) in the case of any Exchange Offer Registration Statement, the Company agrees to deliver to the Initial Purchasers on behalf of the Participating Broker-Dealers upon the effectiveness of the Exchange Offer Registration Statement (i) an opinion of counsel or opinions of counsel substantially in the form attached hereto as Exhibit A, (ii) officers' certificates substantially in the form customarily delivered in a public offering of debt securities and (iii) a comfort letter or comfort letters in customary form to the extent permitted by Statement on Auditing Standards No. 72 of the American Institute of Certified Public Accountants (or if such a comfort letter is not permitted, an agreed upon procedures letter in customary form) from Ernst & Young LLP, the Company's independent certified public accountants (and, if necessary, any other independent certified public accountants of any subsidiary of the Company or of any business acquired by the Company for which financial statements are, or are required to be, included in the Registration Statement), at

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> least as broad in scope and coverage as the comfort letter or comfort letters delivered to the Initial Purchasers in connection with the initial sale of the Securities to the Initial Purchasers;

(g) (i) in the case of an Exchange Offer, furnish Sidley Austin Brown & Wood LLP, counsel for the Initial Purchasers, and (ii) in the case of a Shelf Registration, furnish counsel for the Holders of Registrable Securities copies of any comment letters received from the SEC or any other request by the SEC or any state securities authority for amendments or supplements to a Registration Statement and Prospectus or for additional information;

(h) make every reasonable effort to obtain the withdrawal of any order suspending the effectiveness of a Registration Statement at the earliest possible moment;

(i) in the case of a Shelf Registration, furnish to each Holder of Registrable Securities, and each underwriter, if any, without charge, at least one conformed copy of each Registration Statement and any post-effective amendment thereto, including financial statements and schedules (without documents incorporated therein by reference and all exhibits thereto, unless requested);

(j) in the case of a Shelf Registration, cooperate with the selling Holders of Registrable Securities to facilitate the timely preparation and delivery of certificates representing Registrable Securities to be sold and not bearing any restrictive legends; and enable such Registrable Securities to be in such denominations (consistent with the provisions of the Indenture) and registered in such names as the selling Holders or the underwriters, if any, may reasonably request at least three business days prior to the closing of any sale of Registrable Securities;

(k) in the case of a Shelf Registration, upon the occurrence of any event or the discovery of any facts, each as contemplated by Sections 3(e)(v) and 3(e)(vi) hereof, as promptly as practicable after the occurrence of such an event, use its reasonable best efforts to prepare a supplement or post-effective amendment to the Registration Statement or the related Prospectus or any document incorporated therein by reference or file any other required document so that, as thereafter delivered to the purchasers of the Registrable Securities or Participating Broker-Dealers, such Prospectus will not contain at the time of such delivery any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading or will remain so qualified. At such time as such public disclosure is otherwise made or the Company determines that such disclosure is not necessary, in each case to correct any misstatement of a material fact or to include any omitted material fact, the Company agrees promptly to notify each Holder of such determination and to furnish each Holder such number of copies of the Prospectus as amended or supplemented, as such Holder may reasonably request;

(l) in the case of a Shelf Registration, a reasonable time prior to the filing of any Registration Statement, any Prospectus, any amendment to a Registration Statement or amendment or supplement to a Prospectus or any document which is to be incorporated by reference into a Registration Statement or a Prospectus after initial filing of a Registration Statement, provide copies of such document to the Initial Purchasers on behalf of such Holders; and make representatives of the Company as shall be reasonably requested by the Holders of Registrable Securities, or the Initial Purchasers on behalf of such Holders, available for discussion of such document;

(m) obtain a CUSIP number for all Exchange Securities, Private Exchange Securities or Registrable Securities, as the case may be, not later than the effective date of a Registration Statement, and provide the Trustee with printed certificates for the Exchange Securities, Private Exchange Securities or the Registrable Securities, as the case may be, in a form eligible for deposit with the Depositary;

(n) (i) cause the Indenture to be qualified under the TIA in connection with the registration of the Exchange Securities or Registrable Securities, as the case may be, (ii) cooperate with the Trustee and the Holders to effect such changes to the Indenture as may be required for the Indenture to be so qualified in accordance with the terms of the TIA and (iii) execute, and use its reasonable best efforts to cause the Trustee to execute, all documents as may be required to effect such changes, and all other forms and documents required to be filed with the SEC to enable the Indenture to be so qualified in a timely manner;

(o) in the case of a Shelf Registration, enter into agreements (including underwriting agreements) and take all other customary and appropriate actions in order to expedite or facilitate the disposition of such Registrable Securities and in such connection whether or not an underwriting agreement is entered into and whether or not the registration is an underwritten registration:

(i) make such representations and warranties to the Holders of such Registrable Securities and the underwriters, if any, in form, substance and scope as are customarily made by issuers to underwriters in similar underwritten offerings as may be reasonably requested by them;

(ii) obtain opinions of counsel to the Company and updates thereof (which counsel and opinions (in form, scope and substance) shall be reasonably satisfactory to the managing underwriters, if any, and the holders of a majority in principal amount of the Registrable Securities being sold) addressed to each selling Holder and the underwriters, if any, covering the matters customarily covered in opinions requested in sales of securities or underwritten offerings and such other matters as may be reasonably requested by such Holders and underwriters;

(iii) obtain "cold comfort" letters and updates thereof from the Company's independent certified public accountants (and, if necessary, any other independent certified public accountants of any subsidiary of the Company or of any business acquired by the Company for which financial statements are, or are required to be, included in the Registration Statement) addressed to the underwriters, if any, and use reasonable efforts to have such letter addressed to the selling Holders of Registrable Securities (to the extent consistent with Statement on Auditing Standards No. 72 of the American Institute of Certified Public Accounts), such letters to be in customary form and covering matters of the type customarily covered in "cold comfort" letters to underwriters in connection with similar underwritten offerings;

(iv) enter into a securities sales agreement with the Holders and an agent of the Holders providing for, among other things, the appointment of such agent for the selling Holders for the purpose of soliciting purchases of Registrable Securities, which agreement shall be in form, substance and scope customary for similar offerings;

(v) if an underwriting agreement is entered into, cause the same to set forth indemnification provisions and procedures substantially equivalent to the indemnification provisions and procedures set forth in Section 4 hereof with respect to the underwriters and all other parties to be indemnified pursuant to said Section or, at the request of any underwriters, in the form customarily provided to such underwriters in similar types of transactions; and

(vi) deliver such documents and certificates as may be reasonably requested and as are customarily delivered in similar offerings to the Holders of a majority in principal amount of the Registrable Securities being sold and the managing underwriters, if any.

The above shall be done at (i) the effectiveness of such Registration Statement (and each post-effective amendment thereto) and (ii) each closing under any underwriting or similar agreement as and to the extent required thereunder;

(p) in the case of a Shelf Registration or if a Prospectus is required to be delivered by any Participating Broker-Dealer in the case of an Exchange Offer, make available for inspection by representatives of the Holders of the Registrable Securities, any underwriters participating in any disposition pursuant to a Shelf Registration Statement, any Participating Broker-Dealer and any counsel or accountant retained by any of the foregoing, all financial and other records, pertinent corporate documents and properties of the Company reasonably requested by any such persons, and cause the respective officers, directors, employees, and any other agents of the Company to supply all information reasonably requested by any such representative, underwriter, special counsel or accountant in connection with a Registration Statement;

(q) (i) in the case of an Exchange Offer Registration Statement, a reasonable time prior to the filing of any Exchange Offer Registration Statement, any Prospectus forming a part thereof, any amendment to an Exchange Offer Registration Statement or amendment or supplement to such Prospectus, provide copies of such document to the Initial Purchasers and to counsel to the Holders of Registrable Securities and make such changes in any such document prior to the filing thereof as the Initial Purchasers or counsel to the Holders of Registrable Securities may reasonably request and, except as otherwise required by applicable law, not file any such document in a form to which the Initial Purchasers on behalf of the Holders of Registrable Securities and counsel to the Holders of Registrable Securities shall not have previously been advised and furnished a copy of or to which the Initial Purchasers on behalf of the Holders of Registrable Securities or counsel to the Holders of Registrable Securities shall reasonably object; and

(ii) in the case of a Shelf Registration, a reasonable time prior to filing any Shelf Registration Statement, any Prospectus forming a part thereof, any amendment to such Shelf Registration Statement or amendment or supplement to such Prospectus, provide copies of such document to the Holders of Registrable Securities, to the Initial Purchasers, to counsel for the Holders and to the underwriter or underwriters of an underwritten offering of Registrable Securities, if any, make such changes in any such document prior to the filing thereof as the Initial Purchasers, the counsel to the Holders or the underwriter or underwriters reasonably request and not file any such document in a form to which the Majority Holders, the Initial Purchasers on behalf of the Holders of Registrable Securities, counsel for the Holders of Registrable Securities or any underwriter shall not have previously been advised and furnished a copy of or to which the Majority Holders, the Initial Purchasers on behalf of the Holders of Registrable Securities, counsel to the Holders of Registrable Securities or any underwriter shall reasonably object;

(r) in the case of a Shelf Registration, use its reasonable best efforts to cause all Registrable Securities to be listed on any securities exchange on which similar debt securities issued by the Company are then listed if requested by the Majority Holders, or if requested by the underwriter or underwriters of an underwritten offering of Registrable Securities, if any;

(s) in the case of a Shelf Registration, use its reasonable best efforts to cause the Registrable Securities to be rated by the appropriate rating agencies, if so requested by the Majority Holders, or if requested by the underwriter or underwriters of an underwritten offering of Registrable Securities, if any;

(t) otherwise comply with all applicable rules and regulations of the SEC and make available to its security holders, as soon as reasonably practicable, an earnings statement covering at least 12 months which shall satisfy the provisions of Section 11(a) of the 1933 Act and Rule 158 thereunder;

(u) cooperate and assist in any filings required to be made with the NASD and, in the case of a Shelf Registration, in the performance of any due diligence investigation by any underwriter and its counsel (including any "qualified independent underwriter" that is required to be retained in accordance with the rules and regulations of the NASD); and

(v) upon consummation of an Exchange Offer or a Private Exchange, obtain customary opinions from counsel to the Company addressed to the Trustee for the benefit of all Holders of Registrable Securities participating in the Exchange Offer or Private Exchange, and which includes an opinion that (i) the Company has duly authorized, executed and delivered the Exchange Securities and/or Private Exchange Securities, as applicable, and the related indenture, and (ii) each of the Exchange Securities and related indenture constitute a legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its respective terms (with customary exceptions).

In the case of a Shelf Registration Statement, the Company may (as a condition to such Holder's participation in the Shelf Registration) require each Holder of Registrable Securities to furnish to the Company such information regarding the Holder and the proposed distribution by such Holder of such Registrable Securities as the Company may from time to time reasonably request in writing.

In the case of a Shelf Registration Statement, each Holder agrees that, upon receipt of any notice from the Company of the happening of any event or the discovery of any facts, each of the kind described in Section 3(e)(v) hereof, such Holder will forthwith discontinue disposition of Registrable Securities pursuant to a Registration Statement until such Holder's receipt of the copies of the supplemented or amended Prospectus contemplated by Section 3(k) hereof, and, if so directed by the Company, such Holder will deliver to the Company (at its expense) all copies in such Holder's possession, other than permanent file copies then in such Holder's possession, of the Prospectus covering such Registrable Securities current at the time of receipt of such notice.

In the event that the Company fails to effect the Exchange Offer or file any Shelf Registration Statement and maintain the effectiveness of any Shelf Registration Statement as provided herein, the Company shall not file any Registration Statement with respect to any securities (within the meaning of Section 2(1) of the 1933 Act) of the Company other than Registrable Securities for a period of twelve months.

If any of the Registrable Securities covered by any Shelf Registration Statement are to be sold in an underwritten offering, the underwriter or underwriters and manager or managers that will manage such offering will be selected by the Majority Holders of such Registrable Securities included in such offering and shall be acceptable to the Company. No Holder of Registrable Securities may participate in any underwritten registration hereunder unless such Holder (a) agrees to sell such Holder's Registrable Securities on the basis provided in any underwriting arrangements approved by the persons entitled hereunder to approve such arrangements and (b) completes and executes all questionnaires, powers of attorney, indemnities, underwriting agreements and other documents required under the terms of such underwriting arrangements.

4. *Indemnification; Contribution.*

(a) The Company agrees to indemnify and hold harmless the Initial Purchasers, each Holder, each Participating Broker-Dealer, each Person who participates as an underwriter (any such Person being an "Underwriter") and each Person, if any, who controls any Holder or Underwriter within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act as follows:

(i) against any and all loss, liability, claim, damage and expense whatsoever, as incurred, arising out of any untrue statement or alleged untrue statement of a material fact contained in any Registration Statement (or any amendment or supplement thereto) pursuant to which Exchange Securities or Registrable Securities were registered under the 1933 Act, including all

documents incorporated therein by reference, or the omission or alleged omission therefrom of a material fact required to be stated therein or necessary to make the statements therein not misleading, or arising out of any untrue statement or alleged untrue statement of a material fact contained in any Prospectus (or any amendment or supplement thereto) or the omission or alleged omission therefrom of a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(ii) against any and all loss, liability, claim, damage and expense whatsoever, as incurred, to the extent of the aggregate amount paid in settlement of any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or of any claim whatsoever based upon any such untrue statement or omission, or any such alleged untrue statement or omission; provided that (subject to Section 4(d) below) any such settlement is effected with the written consent of the Company; and

(iii) against any and all expense whatsoever, as incurred (including the fees and disbursements of counsel chosen by any indemnified party), reasonably incurred in investigating, preparing or defending against any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or any claim whatsoever based upon any such untrue statement or omission, or any such alleged untrue statement or omission, to the extent that any such expense is not paid under subparagraph (i) or (ii) above;

provided, however, that this indemnity agreement shall not apply to any loss, liability, claim, damage or expense to the extent arising out of any untrue statement or omission or alleged untrue statement or omission made in reliance upon and in conformity with written information furnished to the Company by the Holder or Underwriter expressly for use in a Registration Statement (or any amendment thereto) or any Prospectus (or any amendment or supplement thereto).

(b) Each Holder severally, but not jointly, agrees to indemnify and hold harmless the Company, the Initial Purchasers, each Underwriter and the other selling Holders, and each of their respective directors and officers, and each Person, if any, who controls the Company, the Initial Purchasers, any Underwriter or any other selling Holder within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act, against any and all loss, liability, claim, damage and expense described in the indemnity contained in Section 4(a) hereof, as incurred, but only with respect to untrue statements or omissions, or alleged untrue statements or omissions, made in the Shelf Registration Statement (or any amendment thereto) or any Prospectus included therein (or any amendment or supplement thereto) in reliance upon and in conformity with written information with respect to such Holder furnished to the Company by such Holder expressly for use in the Shelf Registration Statement (or any amendment thereto) or such Prospectus (or any amendment or supplement thereto); *provided, however*, that no such Holder shall be liable for any claims hereunder in excess of the amount of net proceeds received by such Holder from the sale of Registrable Securities pursuant to such Shelf Registration Statement.

(c) Each indemnified party shall give notice as promptly as reasonably practicable to each indemnifying party of any action or proceeding commenced against it in respect of which indemnity may be sought hereunder, but failure so to notify an indemnifying party shall not relieve such indemnifying party from any liability hereunder to the extent it is not materially prejudiced as a result thereof and in any event shall not relieve it from any liability which it may have otherwise than on account of this indemnity agreement. An indemnifying party may participate at its own expense in the defense of such action; *provided, however,* that counsel to the indemnifying party shall not (except with the consent of the indemnified party, which consent shall not be unreasonably withheld) also be counsel to the indemnified party. In no event shall the indemnifying party or parties be liable for the fees and expenses of more than one counsel (in addition to any local counsel) separate from their own counsel for all indemnified parties in connection with any one action or separate but similar or related actions in the same jurisdiction arising out of the same general allegations or circumstances. No indemnifying party shall, without the prior written consent of the indemnified parties, settle or compromise or consent to the entry of any judgment with respect to any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or any claim whatsoever in respect of which indemnification or contribution could be sought under this Section 4 (whether or not the indemnified parties are actual or potential parties thereto), unless such settlement, compromise or consent (i) includes an unconditional release of each indemnified party from all liability arising out of such litigation, investigation, proceeding or claim and (ii) does not include a statement as to or an admission of fault, culpability or a failure to act by or on behalf of any indemnified party.

(d) If at any time an indemnified party shall have requested an indemnifying party to reimburse the indemnified party for fees and expenses of counsel, such indemnifying party agrees that it shall be liable for any settlement of the nature contemplated by Section 4(a)(ii) effected without its written consent if (i) such settlement is entered into more than 45 days after receipt by such indemnifying party of the aforesaid request, (ii) such indemnifying party shall have received notice of the terms of such settlement at least 30 days prior to such settlement being entered into and (iii) such indemnifying party shall not have reimbursed such indemnified party in accordance with such request prior to the date of such settlement.

(e) If the indemnification provided for in this Section 4 is for any reason unavailable to or insufficient to hold harmless an indemnified party in respect of any losses, liabilities, claims, damages or expenses referred to therein, then each indemnifying party shall contribute to the aggregate amount of such losses, liabilities, claims, damages and expenses incurred by such indemnified party, as incurred, in such proportion as is appropriate to reflect the relative fault of the Company on the one hand and the Holders and the Initial Purchasers on the other hand in connection with the statements or omissions which resulted in such losses, liabilities, claims, damages or expenses, as well as any other relevant equitable considerations.

The relative fault of the Company on the one hand and the Holders and the Initial Purchasers on the other hand shall be determined by reference to, among other things, whether any such untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact relates to information supplied by the Company, the Holders or the Initial Purchasers and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

The Company, the Holders and the Initial Purchasers agree that it would not be just and equitable if contribution pursuant to this Section 4 were determined by pro rata allocation (even if the Initial Purchasers were treated as one entity for such purpose) or by any other method of allocation which does not take account of the equitable considerations referred to above in this Section 4. The aggregate amount of losses, liabilities, claims, damages and expenses incurred by an indemnified party and referred to above in this Section 4 shall be deemed to include any legal or other expenses reasonably

incurred by such indemnified party in investigating, preparing or defending against any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or any claim whatsoever based upon any such untrue or alleged untrue statement or omission or alleged omission.

Notwithstanding the provisions of this Section 4, no Initial Purchaser shall be required to contribute any amount in excess of the amount by which the total price at which the Securities sold by it were offered exceeds the amount of any damages which such Initial Purchaser has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission.

No Person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the 1933 Act) shall be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation.

For purposes of this Section 4, each Person, if any, who controls an Initial Purchaser or Holder within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act shall have the same rights to contribution as such Initial Purchaser or Holder, and each director of the Company, and each Person, if any, who controls the Company within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act shall have the same rights to contribution as the Company. The Initial Purchasers' respective obligations to contribute pursuant to this Section 4 are several in proportion to the principal amount of Securities set forth opposite their respective names in Schedule A to the Purchase Agreement and not joint.

5. *Miscellaneous.*

5.1 *Rule 144 and Rule 144A.* The Company shall use its best efforts to file the reports required to be filed by it under the 1933 Act and the 1934 Act in a timely manner and, if at any time the Company is not required to file such reports, it will, upon the request of any Holder of Registrable Securities, make publicly available other information so long as necessary to permit sales of their securities pursuant to Rules 144 and 144A. The Company covenants that it will take such

further action as any Holder of Registrable Securities may reasonably request, all to the extent required from time to time to enable such Holder to sell Registrable Securities without registration under the 1933 Act within the limitation of the exemptions provided by Rules 144 and 144A (including the requirements of Rule 144A(d)(4)). The Company will provide a copy of this Agreement to prospective purchasers of Registrable Securities identified to the Company by the Initial Purchasers upon request. Upon the request of any Holder of Registrable Securities, the Company shall deliver to such Holder a written statement as to whether it has complied with such requirements. Notwithstanding the foregoing, nothing in this Section 5 shall be deemed to require the Company to register any of its securities pursuant to the 1934 Act.

5.2 *No Inconsistent Agreements.* The Company hereby agrees that any Registration Statement shall, unless otherwise agreed upon by the Initial Purchasers, include only those Registrable Securities required to be included thereunder pursuant to the terms of this Agreement. The Company has not, as of the date hereof, entered into, nor shall it, on or after the date hereof, enter into, any agreement with respect to its Registrable Securities that is inconsistent with the rights granted to the Holders herein or otherwise conflicts with the provisions hereof.

5.3 *Amendments and Waivers.* The provisions of this Agreement, including the provisions of this sentence, may not be amended, modified or supplemented, and waivers or consents to departures from the provisions hereof may not be given unless the Company has obtained the written consent of Holders of at least a majority in aggregate principal amount of the outstanding Registrable Securities.

5.4 *Notices.* All notices and other communications provided for or permitted hereunder shall be made in writing by hand delivery, registered first-class mail, telex, telecopier, or any courier guaranteeing overnight delivery (a) if to a Holder, at the most current address given by such Holder to

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the Company by means of a notice given in accordance with the provisions of this Section 5.4, which address initially is the address set forth in the Purchase Agreement with respect to the Initial Purchasers; and (b) if to the Company, initially at the Company's address set forth in the Purchase Agreement, and thereafter at such other address of which notice is given in accordance with the provisions of this Section 5.4.

All such notices and communications shall be deemed to have been duly given: at the time delivered by hand, if personally delivered; two business days after being deposited in the mail, postage prepaid, if mailed; when answered back, if telexed; when receipt is acknowledged, if telecopied; and on the next business day if timely delivered to an air courier guaranteeing overnight delivery.

Copies of all such notices, demands, or other communications shall be concurrently delivered by the person giving the same to the Trustee under the Indenture, at the address specified in such Indenture.

5.5 *Successor and Assigns.* This Agreement shall inure to the benefit of and be binding upon the successors, assigns and transferees of each of the parties, including, without limitation and without the need for an express assignment, subsequent Holders; *provided* that nothing herein shall be deemed to permit any assignment, transfer or other disposition of Registrable Securities in violation of the terms of the Purchase Agreement or the Indenture. If any transferee of any Holder shall acquire Registrable Securities, in any manner, whether by operation of law or otherwise, such Registrable Securities shall be held subject to all of the terms of this Agreement, and by taking and holding such Registrable Securities such person shall be conclusively deemed to have agreed to be bound by and to perform all of the terms and provisions of this Agreement, including the restrictions on resale set forth in this Agreement and, if applicable, the Purchase Agreement, and such person shall be entitled to receive the benefits hereof.

5.6 *Third Party Beneficiaries.* The Initial Purchasers (even if the Initial Purchasers are not Holders of Registrable Securities) shall be third party beneficiaries to the agreements made hereunder between the Company, on the one hand, and the Holders, on the other hand, and shall have the right to enforce such agreements directly to the extent they deem such enforcement necessary or advisable to protect their rights or the rights of Holders hereunder. Each Holder of Registrable Securities shall be a third party beneficiary to the agreements made hereunder between the Company, on the one hand, and the Initial Purchasers, on the other hand, and shall have the right to enforce such agreements directly to the extent it deems such enforcement necessary or advisable to protect its rights hereunder.

5.7. *Specific Enforcement.* The parties hereto acknowledge that there may be no adequate remedy at law if any party fails to perform any of its obligations hereunder and that each party may be irreparably harmed by any such failure, and accordingly agree that each party, in addition to any other remedy to which it may be entitled at law or in equity, shall be entitled to compel specific performance of the obligations of any other party under this Agreement in accordance with the terms and conditions of this Agreement, in any court of the United States or any State thereof having jurisdiction.

5.8. *Restriction on Resales.* Until the expiration of two years after the original issuance of the Securities, the Company will not, and will cause its "affiliates" (as such term is defined in Rule 144(a)(1) under the 1933 Act) not to, resell any Securities which are "restricted securities" (as such term is defined under Rule 144(a)(3) under the 1933 Act) that have been reacquired by any of them and shall immediately upon any purchase of any such Securities submit such Securities to the Trustee for cancellation.

5.9 *Counterparts.* This Agreement may be executed in any number of counterparts and by the parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

5.10 *Headings.* The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning hereof.

5.11 ***GOVERNING LAW.*** **THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAW OF THE STATE OF NEW YORK WITHOUT REGARD TO THE PRINCIPLES OF CONFLICT OF LAWS THEREOF**.

5.12 *Severability.* In the event that any one or more of the provisions contained herein, or the application thereof in any circumstance, is held invalid, illegal or unenforceable, the validity, legality and enforceability of any such provision in every other respect and of the remaining provisions contained herein shall not be affected or impaired thereby.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

QUESTAR MARKET RESOURCES, INC.

By: /s/ G. L. NORDLOH

Name: G. L. Nordloh
Title: President and Chief Executive Officer

Confirmed and accepted as of the date first above written:

BANC OF AMERICA SECURITIES LLC
MERRILL LYNCH, PIERCE, FENNER & SMITH
INCORPORATED

BY: BANC OF AMERICA SECURITIES LLC

By: /s/ LILY CHANG

Name: Lily Chang
Title: Principal

BY: MERRILL LYNCH, PIERCE, FENNER & SMITH
INCORPORATED

By: /s/ ROBERT L. JONES

Name: Robert L. Jones
Title: Managing Director

For themselves and as representatives of the other Initial Purchasers named in the Purchase Agreement.

Exhibit A

Form of Opinion of Counsel

Banc of America Securities LLC
Merrill Lynch, Pierce, Fenner & Smith
Incorporated
as representatives
c/o Merrill Lynch, Pierce, Fenner & Smith
Incorporated
Merrill Lynch World Headquarters
Four World Financial Center
Floor 15
New York, New York 10080

Ladies and Gentlemen:

We have acted as counsel for Questar Market Resources, Inc., a Utah corporation (the "Company"), in connection with the sale by the Company to the Initial Purchasers (as defined below) of $200,000,000 aggregate principal amount of 7% Notes due 2007 (the "Notes") of the Company pursuant to the Purchase Agreement dated January 9, 2002 (the "Purchase Agreement") among the Company and Banc of America Securities LLC and Merrill Lynch, Pierce, Fenner & Smith Incorporated, as representatives of the Initial Purchasers named in the Purchase Agreement (collectively, the "Initial Purchasers") and the filing by the Company of an Exchange Offer Registration Statement (the "Registration Statement") in connection with an Exchange Offer to be effected pursuant to the Registration Rights Agreement (the "Registration Rights Agreement"), dated January 9, 2002 between the Company and the Initial Purchasers. This opinion is furnished to you pursuant to Section 3(f)(B) of the Registration Rights Agreement. Unless otherwise defined herein, capitalized terms used in this opinion that are defined in the Registration Rights Agreement are used herein as so defined.

We have examined such documents, records and matters of law as we have deemed necessary for purposes of this opinion. In rendering this opinion, as to all matters of fact relevant to this opinion, we have assumed the completeness and accuracy of, and are relying solely upon, the representations and warranties of the Company set forth in the Purchase Agreement and the statements set forth in certificates of public officials and officers of the Company, without making any independent investigation or inquiry with respect to the completeness or accuracy of such representations, warranties or statements, other than a review of the certificate of incorporation, by-laws and relevant minute books of the Company.

Based on and subject to the foregoing, we are of the opinion that:

1. The Exchange Offer Registration Statement and the Prospectus (other than the financial statements, notes or schedules thereto and other financial data and supplemental schedules included or incorporated by reference therein or omitted therefrom and the Form T-1, as to which such counsel need express no opinion), comply as to form in all material respects with the requirements of the 1933 Act and the applicable rules and regulations promulgated under the 1933 Act.

2. We have participated in the preparation of the Registration Statement and the Prospectus and in the course thereof have had discussions with representatives of the Underwriters, officers and other representatives of the Company and Ernst & Young LLP, the Company's independent public accountants, during which the contents of the Registration Statement and the Prospectus were discussed. We have not, however, independently verified and are not passing upon, and do not assume any responsibility for, the accuracy, completeness or fairness of the statements contained in the Registration Statement and the Prospectus. Based on our participation as described above, nothing has come to our attention that would lead us to believe that the Registration Statement (except for financial statements and schedules and other financial data included therein as to which we make no statement) contained an untrue statement of a material fact or omitted to state a material fact required

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to be stated therein or necessary to make the statements therein not misleading or that the Prospectus or any amendment or supplement thereto (except for financial statements and schedules and other financial data included therein, as to which such counsel need make no statement), at the time the Prospectus was issued, at the time any such amended or supplemented Prospectus was issued or at the Closing Time, included or includes an untrue statement of a material fact or omitted or omits to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

This opinion is being furnished to you solely for your benefit in connection with the transactions contemplated by the Registration Rights Agreement, and may not be used for any other purpose or relied upon by any person other than you. Except with our prior written consent, the opinions herein expressed are not to be used, circulated, quoted or otherwise referred to in connection with any transactions other than those contemplated by the Registration Rights Agreement by or to any other person.

Very truly yours,

Exhibit 5.01

February 22, 2002

Questar Market Resources, Inc.
180 East 100 South Street
P.O. Box 45601
Salt Lake City, Utah 84145-0601

Ladies and Gentlemen:

Re: Questar Market Resources, Inc., Registration Statement on Form S-4
Relating to $200,000,000 Principal Amount of 7% Exchange Notes Due 2007

I am acting as counsel for Questar Market Resources, Inc., a Utah corporation (the "Company"), in connection with the preparation of a Registration Statement on Form S-4 to be filed by the Company with the Securities and Exchange Commission (the "Commission") on the date of this letter (the "Registration Statement"). The Registration Statement relates to the issuance and exchange of up to $200,000,000 aggregate principal amount of the Company's 7% Exchange Notes Due 2007 (the "Exchange Notes") to be issued pursuant to an indenture dated March 1, 2001 (the "Indenture") by and between the Company and Bank One Trust Company, NA, as trustee (the "Trustee").

This opinion is delivered in accordance with the requirements of Item 601(b)(5) of Regulation S-K under the Securities Act of 1933, as amended (the "1933 Act").

In connection with this opinion, I have examined and am familiar with originals or copies, certified or otherwise identified to my satisfaction, of such documents, agreements, certificates and corporate or other records as I have deemed necessary or appropriate as a basis for this opinion. This includes: (i) the Registration Statement (together with the form of preliminary prospectus that is a part of it) in the form to be filed by the Company with the Commission on the date of this letter; (ii) the Indenture; (iii) the form of the Exchange Notes issuable under the Indenture; (iv) the Form T-1 of the Trustee being filed with the Commission as Exhibit 25.01 to the Registration Statement pursuant to the Trust Indenture Act of 1939, as amended; (v) the Articles of Incorporation and Bylaws of the Company, each as amended through the date of this letter; (vi) resolutions of the Board of Directors of the Company relating to the filing of the Registration Statement and the proposed issuance of the Exchange Notes; (vii) the Purchase Agreement dated as of January 9, 2002, by and between the Company and Banc of America Securities LLC, Merrill Lynch & Co., and Merrill Lynch, Pierce, Fenner & Smith Incorporated, as representatives of the initial purchasers of the Company's 7% Notes due 2002 ("Initial Purchasers"), which is being filed as Exhibit 4.01 to the Registration Statement; and (viii) the Registration Rights Agreement dated as of January 9, 2002, by and among the Company and Banc of America Securities LLC, Merrill Lynch & Co., and Merrill Lynch, Pierce, Fenner & Smith Incorporated, as representatives of the Initial Purchasers, which is being filed as Exhibit 4.02 to the Registration Statement. In my examination, I have assumed the genuineness of all signatures, the legal capacity of all natural persons, the authenticity of all documents submitted to me as originals, the conformity to the original documents submitted to me as certified or photostatic copies and the authenticity of the originals of such latter documents. As to any facts material to this opinion that were not independently established or verified, I have relied upon statements and representations of officers and other representatives of the Company and others.

I am admitted to the Bar of the State of Utah, and I express no opinion as to the laws of any other jurisdiction other than the laws of the United States of America.

Based on and subject to the foregoing, I have formed the following opinion: When (1) the Registration Statement has become effective under the 1933 Act, (2) the definitive terms of the Exchange Notes and of their issue and exchange have been duly established in conformity with the Indenture so as not to violate any applicable law or agreement or instrument then binding on the Company, and (3) the Exchange Notes have been duly executed and authenticated in accordance with

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such Indenture and have been issued and exchanged as contemplated in the Registration Statement, the prospectus contained in it and any supplement (the "Prospectus"), the Exchange Notes will constitute valid and legally binding obligations of the Company, entitled to the benefits provided by the Indenture and enforceable against the Company in accordance with their terms, *except* to the extent that enforcement may be limited by (a) bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium or other similar laws now or hereafter in effect relating to creditors' rights generally and (b) general principles of equity (regardless of whether enforceability is considered in a proceeding at law or in equity).

I further consent to the reference made to me under the heading "Legal Matters" in the Prospectus and the filing of this opinion as Exhibit 5.01 to the Registration Statement. In giving such consent, I do not admit that I am in the category of persons whose consent is required under Section 7 of the 1933 Act.

Sincerely,

/s/ C. C. HOLBROOK

Connie C. Holbrook
Senior Vice President, General Counsel and Corporate Secretary

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Exhibit 5.01

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Exhibit 12.02

Questar Market Resources, Inc. and Subsidiaries

Ratio of Earnings to Fixed Charges

(Unaudited)

	9 months ended September 30,			12 months ended December 31,					
	2001 (Pro forma)	2001	2000	2000 (Pro forma)	2000	1999	1998	1997	1996
	(Dollars in Thousands)			(Dollars in Thousands)					
Earnings									
Income before income taxes	$ 123,667	$ 127,831	$ 77,133	$ 101,151	$ 116,426	$ 61,371	$ 31,034	$ 42,720	$ 58,924
Less income, plus loss from Canyon Creek	(229)	(229)	(128)	(162)	(162)	(231)	(202)	(160)	35
Plus distributions from Canyon Creek	174	174	225	304	304	297	281	334	60
Plus loss from Questar WMC								65	546
Less income from Roden	(145)	(145)		(290)	(290)				
Plus distributions from Roden	228	228		355	355				
Plus debt expense	29,132	16,346	17,573	51,100	22,922	17,363	12,631	10,882	8,699
Plus interest portion of rental expense	1,680	978	713	1,375	985	855	699	508	491
	$ 154,507	$ 145,183	$ 95,516	$ 153,833	$ 140,540	$ 79,655	$ 44,443	$ 54,349	$ 68,755
Fixed Charges									
Debt expense	$ 29,132	$ 16,346	$ 17,573	$ 51,100	$ 22,922	$ 17,363	$ 12,631	$ 10,882	$ 8,699
Plus interest portion of rental expense	1,680	978	713	1,375	985	855	699	508	491
	$ 30,812	$ 17,324	$ 18,286	$ 52,475	$ 23,907	$ 18,218	$ 13,330	$ 11,390	$ 9,190
Ratio of Earnings to Fixed Charges	5.01	8.38	5.22	2.93	5.88	4.37	3.33	4.77	7.48

(1) For purposes of this presentation, earnings represent income before income taxes and fixed charges. Fixed charges consist of total interest charges, amortization of debt issuance costs, and the interest portion of rental costs estimated at 50%.

(2) Income before income taxes includes QMR's 50% share of pretax earnings of Blacks Fork.

(3) Distributions from less than 50% owned are included in the calculation, while earnings are from these same enterprises are excluded.

(4) The Pro forma ratio reflects the acquisition of Shenandoah Energy Inc as of January 1, 2000.

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Exhibit 12.02

Questar Market Resources, Inc. and Subsidiaries Ratio of Earnings to Fixed Charges (Unaudited)

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Exhibit 23.01

CONSENT OF ERNST & YOUNG LLP, INDEPENDENT AUDITORS

We consent to the reference to our firm under the caption "Experts" in the Registration Statement on Form S-4 and related Prospectus of Questar Market Resources for the registration and exchange of $200,000,000 of 7% Notes due 2007, and to the incorporation by reference therein of our report dated March 6, 2001 (except for Note 1, as to which the date is November 30, 2001 and Note 2, as to which the date is July 31, 2001), with respect to the consolidated financial statements of Questar Market Resources included in its Annual Report (Form 10-K/A) for the year ended December 31, 2000, filed with the Securities and Exchange Commission.

/s/ ERNST & YOUNG LLP

Ernst & Young LLP

Salt Lake City, Utah
February 19, 2002

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Exhibit 23.03

ENGINEER'S CONSENT

As independent petroleum engineers, we hereby consent to the reference of our appraisal reports for Questar Exploration and Production Company as the years ended December 31, 1998, 1999, and 2000, incorporated herein by reference.

Ryder Scott Company, L.P.

/s/ RYDER SCOTT COMPANY. L.P.

Denver, Colorado
February 22, 2002

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Exhibit 23.04

CONSENT OF H. J. GRUY AND ASSOCIATES, INC.

We hereby consent to the use of the name of H. J. Gruy and Associates, Inc. and of reference to H.J. Gruy and Associates, Inc. and to the inclusion of and references to our reports, or information contained therein, dated January 29, 1999, February 10., 1999, January 31, 2000, February 24, 2000 and February 28, 2001 (two reports) prepared for Questar Exploration and Production Company in the Registration Statement of Questar Market Resources, Inc. on Form S-4 for the filing dated February 22, 2001.

H. J. Gruy and Associates, Inc.

/s/ ROBERT J. NAAS, P.E.

Dallas, Texas
February 22, 2002

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Exhibit 23.05

CONSENT OF INDEPENDENT PETROLEUM ENGINEERS AND GEOLOGISTS

We consent to the reference of our reserves and economics report for Questar Exploration and Production Company as the years ended December 31, 1998, 1999, and 2000, incorporated herein by reference.

Netherland, Sewell & Associates

/s/ FREDERIC D. SEWELL

Dallas, Texas
February 22, 2002

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Exhibit 23.06

ENGINEER'S CONSENT

We consent to the reference of our appraisal reports for Questar Exploration and Production Company as the years ended December 31, 1998, 1999, and 2000, incorporated herein by reference.

Malkewicz Hueni Associates, Inc

/s/ GREGORY B. HUENI

February 22, 2002

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Exhibit 23.07

ENGINEER'S CONSENT

We consent to the reference of our appraisal reports for Celsius Energy Company as the years ended December 31, 1998, 1999 and 2000 incorporated herein by reference.

Gilbert Lausten Jung Associates

/s/ WAYNE W. CHOW

Vice Chairman

February 22, 2002

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Exhibit 23.08

ENGINEER'S CONSENT

As independent petroleum engineers, we hereby consent to the reference of our appraisal reports for Shenandoah Energy, Inc. as the year ended December 31, 2000, incorporated herein by reference.

Ryder Scott Company, L.P.

/s/ RYDER SCOTT COMPANY. L.P.

Denver, Colorado
February 22, 2002

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Exhibit 23.09

ENGINEER'S CONSENT

As per your request, Sproule Associates Limited hereby gives consent to Questar Exploration and Production Company to release the subject evaluation as necessary to satisfy its filing requirements.

Sproule Associates, Ltd.

/s/ DOUGLAS R. BATES P. ENG.

Calgary, Canada
February 22, 2002

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Exhibit 25.01

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM T-1

STATEMENT OF ELIGIBILITY
UNDER THE TRUST INDENTURE ACT OF 1939
OF A CORPORATION DESIGNATED TO ACT AS TRUSTEE

CHECK IF AN APPLICATION TO DETERMINE ELIGIBILITY
OF A TRUSTEE PURSUANT TO SECTION 305(b)(2) /x/

BANK ONE, NATIONAL ASSOCIATION

(Exact name of trustee as specified in its charter)

A National Banking Association	**36-0899825** (I.R.S. employer identification number)
1 Bank One Plaza, Chicago, Illinois (Address of principal executive offices)	**60670-0126** (Zip Code)

Bank One, National Association
1 Bank One Plaza, Suite IL1-0126
Chicago, Illinois 60670-0126
Attn: Christopher Holly, (312) 732-1643
(Name, address and telephone number of agent for service)

Questar Market Resources, Inc
(Exact name of obligor as specified in its charter)

Utah (State or other jurisdiction of incorporation or organization)	**87-0287750** (I.R.S. employer identification number)
180 East 100 South Street **Salt Lake City, Utah** (Address of principal executive offices)	**84145** (Zip Code)

Debt Securities
(Title of Indenture Securities)

Item 1. ***General Information.*** **Furnish the following information as to the trustee:**

(a) Name and address of each examining or supervising authority to which it is subject.

Comptroller of Currency, Washington, D.C.;
Federal Deposit Insurance Corporation,
Washington, D.C.; The Board of Governors of
the Federal Reserve System, Washington D.C.

(b) Whether it is authorized to exercise corporate trust powers.

The trustee is authorized to exercise corporate trust powers.

Item 2. ***Affiliations With the Obligor.*** **If the obligor is an affiliate of the trustee, describe each such affiliation.**

No such affiliation exists with the trustee.

Item 16. ***List of exhibits.*** **List below all exhibits filed as a part of this Statement of Eligibility.**

1. A copy of the articles of association of the trustee now in effect.*

2. A copy of the certificates of authority of the trustee to commence business.*

3.

A copy of the authorization of the trustee to exercise corporate trust powers.*

4. A copy of the existing by-laws of the trustee.*

5. Not Applicable.

6. The consent of the trustee required by Section 321(b) of the Act.

7. A copy of the latest report of condition of the trustee published pursuant to law or the requirements of its supervising or examining authority.

8. Not Applicable.

9. Not Applicable.

Pursuant to the requirements of the Trust Indenture Act of 1939, as amended, the trustee, Bank One, National Association, a national banking association organized and existing under the laws of the United States of America, has duly caused this Statement of Eligibility to be signed on its behalf by the undersigned, thereunto duly authorized, all in the City of Chicago and State of Illinois, on the {date].

Bank One, National Association, Trustee

By: /s/ CHRISTOPHER C. HOLLY

Vice President

* Exhibits 1, 2, 3, and 4 are herein incorporated by reference to Exhibits bearing identical numbers in Item 16 of the Form T-1 of Bank One, National Association, filed as Exhibit 25 to the Registration Statement on Form S-3 of Household Finance Corporation filed with the Securities and Exchange Commission on March 24, 2000 (Registration No. 333-33240).

EXHIBIT 6

THE CONSENT OF THE TRUSTEE REQUIRED
BY SECTION 321(b) OF THE ACT

February 22, 2002

Securities and Exchange Commission
Washington, D.C. 20549

Gentlemen:

In connection with the qualification of an indenture between Questar Market Resources, Inc., and Bank One, National Association, as Trustee, the undersigned, in accordance with Section 321(b) of the Trust Indenture Act of 1939, as amended, hereby consents that the reports of examinations of the undersigned, made by Federal or State authorities authorized to make such examinations, may be furnished by such authorities to the Securities and Exchange Commission upon its request therefor.

Very truly yours,

Bank One, National Association

By: /s/ CHRISTOPHER HOLLY

Vice President

EXHIBIT 7

Legal Title of Bank:	Bank One, NA	Call Date: 12/31/99	ST-BK: 17-1630	FFIEC 031
Address:	1 Bank One Plaza, Ste 0303		Page RC-1	
City, State Zip:	Chicago, IL 60670			
FDIC Certificate No.:	0/3/6/1/8			

Consolidated Report of Condition for Insured Commercial and State-Chartered Savings Banks for December 31, 1999

All schedules are to be reported in thousands of dollars. Unless otherwise indicated, report the amount outstanding of the last business day of the quarter.

Schedule RC—Balance Sheet

			Dollar Amounts in thousands	C400
ASSETS				
1.	Cash and balances due from depository institutions (from Schedule RC-B):	RCFD		
	a. Noninterest-bearing balances and currency and coin(1)	0081	5,055,227	1.a
	b. Interest-bearing balances(2)	0071	6,267,008	1.b
2.	Securities			
	a. Held-to-maturity securities (from Schedule RC-B, column A)	1754	0	2.a
	b. Available-for-sale securities (from Schedule RC-B, column D)	1773	10,171,065	2.b
3.	Federal funds sold and securities purchased under agreements to resell	1350	9,133,306	3.
4.	Loans and lease financing receivables:	RCFD		
	a. Loans and leases, net of unearned income (from Schedule RC-C)	2122	54,113,895	4.a
	b. LESS: Allowance for loan and lease losses	3123	485,672	4.b
	c. LESS: Allocated transfer risk reserve	3128	0	4.c
	d. Loans and leases, net of unearned income, allowance, and reserve (item 4.a minus 4.b and 4.c)	**RCFD** 2125	**53,628,223**	4.d
5.	Trading assets (from Schedule RD-D)	3545	5,625,628	5.
6.	Premises and fixed assets (including capitalized leases)	2145	728,892	6.
7.	Other real estate owned (from Schedule RC-M)	2150	2,661	7.
8.	Investments in unconsolidated subsidiaries and associated companies (from Schedule RC-M)	2130	225,055	8.
9.	Customers' liability to this bank on acceptances outstanding	2155	318,645	9.
10.	Intangible assets (from Schedule RC-M)	2143	222,903	10.
11.	Other assets (from Schedule RC-F)	2160	2,515,075	11.
12.	Total assets (sum of items 1 through 11)	2170	**93,893,688**	12.

(1) Includes cash items in process of collection and unposted debits.

(2) Includes time certificates of deposit not held for trading.

Schedule RC-Continued

			Dollar Amounts in Thousands	
LIABILITIES				
13.	Deposits:			
	a. In domestic offices (sum of totals of columns A and C from Schedule RC-E, part 1)	RCON 2200	26,310,375	13.a
	(1) Noninterest-bearing(1)	6631	11,553,564	13.a1
	(2) Interest-bearing	6636	14,756,811	13.a2
	b. In foreign offices, Edge and Agreement subsidiaries, and IBFs (from Schedule RC-E, part II)	RCFN 2200	28,917,958	13.b
	(1) Noninterest bearing	6631	623,837	13.b1
	(2) Interest-bearing	6636	28,294,121	13.b2
14.	Federal funds purchased and securities sold under agreements to repurchase:	RCFD 2800	9,453,894	14
15.	a. Demand notes issued to the U.S. Treasury	RCON 2840	1,263,434	15.a
	b. Trading Liabilities (from Schedule RC-D)	RCFD 3548	3,262,946	15.b
16.	Other borrowed money:	RCFD		
	a. With original maturity of one year or less	2332	12,462,976	16.a
	b. With original maturity of more than one year	A547	1,049,525	16.b
	c. With original maturity of more than three years	A548	477,923	16.c
17.	Not applicable			
18.	Bank's liability on acceptance executed and outstanding	2920	318,645	18.
19.	Subordinated notes and debentures	3200	3,250,000	19.
20.	Other liabilities (from Schedule RC-G)	2930	1,377,838	20.
21.	Total liabilities (sum of items 13 through 20)	2948	**88,145,514**	21.
22.	Not applicable			
EQUITY CAPITAL				
23.	Perpetual preferred stock and related surplus	3838	0	23.
24.	Common stock	3230	200,858	24.
25.	Surplus (exclude all surplus related to preferred stock)	3839	3,660,673	25.
26.	a. Undivided profits and capital reserves	3632	2,057,661	26.a
	b. Net unrealized holding gains (losses) on available-for-sale securities	8434	(170,996)	26.b
	c. **Accumulated net gains (losses) on cash flow hedges**	4336	0	26.c
27.	Cumulative foreign currency translation adjustments	3284	(22)	27.
28.	Total equity capital (sum of items 23 through 27)	3210	**5,748,174**	28.
29.	Total liabilities, limited-life preferred stock, and equity capital (sum of items 21, 22, and 28)	3300	**93,893,688**	29.
Memorandum				

To be reported only with the March Report of Condition.

1.	Indicate in the box at the right the number of the statement below that best describes the most comprehensive level of auditing work performed for the bank by independent external auditors as of any date during 1996	RCFD 6724	N/A	M.1.	Number

1 = Independent audit of the bank conducted in accordance with generally accepted auditing standards by a certified public accounting firm which submits a report on the bank

2 = Independent audit of the bank's parent holding company conducted in accordance with generally accepted auditing standards by a certified public accounting firm which submits a report on the consolidated holding company (but not on the bank separately)

3 = Directors' examination of the bank conducted in accordance with generally accepted auditing standards by a certified public accounting firm (may be required by state chartering authority)

4. = Directors' examination of the bank performed by other external auditors (may be required by state chartering authority)

5 = Review of the bank's financial statements by external auditors

6 = Compilation of the bank's financial statements by external auditors

7 = Other audit procedures (excluding tax preparation work)

8 = No external audit work

(1) Includes total demand deposits and noninterest-bearing time and savings deposits.

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Exhibit 99.01

LETTER OF TRANSMITTAL

TO EXCHANGE 7% NOTES DUE 2007

FOR

7% EXCHANGE NOTES DUE 2007

(REGISTERED UNDER THE SECURITIES ACT OF 1933)

OF

QUESTAR MARKET RESOURCES, INC.

THE RIGHT TO EXCHANGE QUESTAR MARKET RESOURCES, INC. 7% NOTES DUE 2007 FOR QUESTAR MARKET RESOURCES, INC. 7% EXCHANGE NOTES DUE 2007 WILL EXPIRE AT 5:00 P.M., NEW YORK CITY TIME, ON [ ], 2002

BANK ONE TRUST COMPANY, N.A., EXCHANGE AGENT

By Mail:	***By Hand:***	***By Overnight Courier:***
Bank One Trust Company, N.A. Global Corporate Trust Services 1 Bank One Plaza Suite IL1-0126 Chicago, Illinois 60670-0126 Attn: Sharon McGrath	Bank One Trust Company, N.A. Global Corporate Trust Services One North State Street 9th Floor Chicago, Illinois 60602 Attn: Sharon McGrath	Bank One Trust Company, N.A. Global Corporate Trust Services One North State Street 9th Floor Chicago, Illinois 60602 Attn: Sharon McGrath

Delivery of this instrument to an address other than as set forth above will not constitute a valid delivery.

This Letter of Transmittal is to be used to submit 7% Notes due 2007 ("Outstanding Notes") of Questar Market Resources, Inc. ("Questar Market Resources") to be exchanged for 7% Exchange Notes due 2007 of Questar Market Resources. It must be used whether certificates representing the Outstanding Notes are being delivered to Bank One Trust Company, National Association as exchange agent (the "Exchange Agent"), or whether delivery of the Outstanding Notes is being made by book-entry transfer to an account maintained by the Exchange Agent at The Depository Trust Company ("DTC"). This Letter of Transmittal must be delivered to the Exchange Agent. Delivery of this Letter of Transmittal to DTC does not constitute delivery to the Exchange Agent.

/ / CHECK HERE IF THE OUTSTANDING NOTES ARE BEING DELIVERED BY BOOK-ENTRY TRANSFER TO THE EXCHANGE AGENT'S ACCOUNT AT DTC AND COMPLETE THE FOLLOWING:

Account Number at DTC: _____

Transaction Code Number: _____

DESCRIPTION OF OUTSTANDING NOTES SUBMITTED

Name(s) and Address(es) of Registered Holder(s) (Please Fill in, if Questar Market Resources)	**Certificate(s) Submitted (Attach additional list if necessary)**		
	Certificate Number(s)*	**Principal Amount of Outstanding Notes**	**Principal Amount of Outstanding Notes Submitted (If Less Than All)****
	Total Amount of Outstanding Notes:		

* Need not be completed by holders submitting by book-entry transfer.
** Outstanding Notes may be tendered in whole or in part in denominations of $1,000 and integral multiples thereof. Unless otherwise indicated it will be assumed that all Outstanding Notes described above are

being submitted. See Instruction 4.

NOTE: THIS LETTER OF TRANSMITTAL MUST BE SIGNED.

PLEASE READ THE ACCOMPANYING INSTRUCTIONS CAREFULLY.

By this document, the undersigned submits the Outstanding Notes listed above (the "Outstanding Notes to be Exchanged") to be exchanged for Exchange Notes as described in the Prospectus dated [ ] 2002 (the "Prospectus") under the caption "The Exchange Offer" and in the instructions in this Letter of Transmittal.

Subject to, and effective upon, the issuance of Exchange Notes in exchange for the Outstanding Notes to be Exchanged, the undersigned sells, assigns and transfers all the Outstanding Notes to be Exchanged to Questar Market Resources and irrevocably appoints the Exchange Agent the agent and attorney-in-fact of the undersigned, with full power of substitution, to deliver the certificates representing the Outstanding Notes to be Exchanged, or transfer ownership of the Outstanding Notes to be Exchanged on the records of DTC, to Questar Market Resources upon receipt by the Exchange Agent, as the undersigned's agent, of the Exchange Notes to be issued in exchange for the Outstanding Notes to be Exchanged.

The undersigned represents and warrants that the undersigned has full power and authority to exchange the Outstanding Notes to be Exchanged for Exchange Notes and that, when Exchange Notes are issued in exchange for the Outstanding Notes to be Exchanged, Questar Market Resources will acquire title to the Outstanding Notes to be Exchanged, free and clear of any liens, restrictions, charges, encumbrances or adverse claims. The undersigned will, upon request, execute and deliver any additional documents deemed by the Exchange Agent or by Questar Market Resources to be necessary or desirable to complete the transfer of the Outstanding Notes to be Exchanged to Questar Market Resources.

The authority conferred in this Letter of Transmittal will not be affected by, and will survive, the death or incapacity of the undersigned. The obligations of the undersigned under this Letter of Transmittal or otherwise resulting from the submission of the Outstanding Notes to be Exchanged for exchange will be binding upon the successors, assigns, heirs, executors, administrators and legal representatives of the undersigned. The submission of Outstanding Notes to be Exchanged for exchange is irrevocable.

Unless otherwise indicated in the box below captioned "Special Issuance Instructions" or the box below captioned "Special Delivery Instructions," please issue and deliver the certificates representing the Exchange Notes being issued in exchange for the Outstanding Notes to be Exchanged, and deliver certificates representing any Outstanding Notes which are not being exchanged or are not accepted for exchange, to the undersigned at the address shown below the undersigned's signature. If one or both of the boxes captioned "Special Issuance Instructions" and "Special Delivery Instructions" are completed, please issue and deliver the notes or confirmation of book-entry transfer as indicated. Questar Market Resources noteholders who deliver Outstanding Notes to be Exchanged by book-entry transfer may, by making an appropriate entry under "Special Issuance Instructions," request that any notes which are not accepted for exchange be returned by crediting an account at DTC. The undersigned is aware that Questar Market Resources has no obligation because of Special Issuance Instructions or otherwise to transfer any Outstanding Notes which are not accepted for exchange from the name of the registered holder of those Outstanding Notes to the name of another person.

SPECIAL ISSUANCE INSTRUCTIONS
(See Instructions 1, 5, 6 and 7)

To be completed ONLY if Exchange Notes or Outstanding Notes which are not exchanged are to be issued in the name of someone other than the undersigned, or if Outstanding Notes delivered by book-entry transfer which are not exchanged are to be returned by credit to an account at DTC other than that designated above.

Issue: / / Exchange Notes

/ / Outstanding Notes not exchanged

to:

Name

(Please Print)

Address

(Include Zip Code)

(Tax Identification or Social Security Number.)

/ / Credit Outstanding Notes which were delivered by book-entry transfer and are not accepted for exchange to the following DTC account:

(Account Number)

SPECIAL DELIVERY INSTRUCTIONS
(See Instructions 1, 5, 6 and 7)

To be completed ONLY if Exchange Notes or Outstanding Notes which are not exchanged are to be sent to someone other than the undersigned or to undersigned at an address other than that shown after the undersigned's signature below.

Mail: / / Exchange Notes

/ / Outstanding Notes not exchanged

to:

Name

(Please Print)

Address

(Include Zip Code)

SIGN HERE

(Signature(s) of Owner(s)

Dated: , 2002

(Must be signed by registered holder(s) exactly as name(s) appear(s) on note(s) or on a security position listing or by person(s) authorized to become registered holder(s) by certificates and documents transmitted with this Letter of Transmittal. If signature is by trustees, executors, administrators, guardians, attorneys-in-fact, agents, officers of corporations or others acting in a fiduciary or representative capacity, please provide the information described in Instruction 5.)

Name(s) (Please print)

Capacity (full title)

Address

(Include Zip Code)

Area Code and Telephone Number

Tax Identification or Social Security No.

INSTRUCTIONS

FORMING PART OF THE TERMS OF THE EXCHANGE OFFER

1. GUARANTEE OF SIGNATURES. No signature guarantee is required on this Letter of Transmittal if (i) this Letter of Transmittal is signed by the registered holder of the Outstanding Notes to be Exchanged (which, for purposes of this document, includes any participant in DTC whose name appears on a security position listing as the owner of the Outstanding Notes to be Exchanged) unless the holder has completed either the box entitled "Special Issuance Instructions" or the box entitled "Special Delivery Instructions" or (ii) the Outstanding Notes to be Exchanged are submitted for the account of a member firm of a registered national securities exchange or a member of the National Association of Securities Dealers, Inc. or by a commercial bank or trust company which has an office or correspondent in the United States (collectively, "Eligible Institutions"). In all other cases, all signatures on this Letter of Transmittal must be guaranteed by an Eligible Institution. See Instruction 5.

2. DELIVERY OF LETTER OF TRANSMITTAL AND CERTIFICATES. This Letter of Transmittal is to be completed by noteholders whether certificates are being forwarded with it or whether Outstanding Notes are being submitted in accordance with the procedures for delivery by book-entry transfer described in the Exchange Instructions. The Exchange Agent must receive, at or before the Expiration Time, certificates for the Outstanding Notes to be Exchanged, or confirmation by DTC of transfer of the Outstanding Notes to be Exchanged to an account of the Exchange Agent, together with a properly completed and executed Letter of Transmittal. Guaranteed delivery of Outstanding Notes to be Exchanged will not be accepted.

Submission of Outstanding Notes to be Exchanged will be irrevocable. Submission may not be conditional or contingent. The method of delivery of this Letter of Transmittal and the certificates for Outstanding Notes to be Exchanged, or confirmation of delivery of Outstanding Notes to be exchanged through DTC, is at the option and risk of the exchanging noteholder. Delivery will not be deemed made until items are actually received by the Exchange Agent. If delivery is by mail, registered mail with return receipt requested, properly insured, is recommended.

3. INADEQUATE SPACE. If the space provided in this Letter of Transmittal is inadequate, the certificate numbers and numbers of Outstanding Notes being submitted for exchange should be listed on a separate signed schedule, which should be attached to this Letter of Transmittal.

4. PARTIAL SUBMISSIONS. (Not applicable to noteholders who submit by book-entry transfer). If fewer than all the Outstanding Notes evidenced by a certificate are to be exchanged, fill in the number of notes which are to be exchanged in the box entitled "Principal Amount of Outstanding Notes Submitted." If you do that, new certificate(s) for the remainder of the notes that were represented by your old certificate(s) will be sent to you, or as you instruct in the appropriate box on this Letter of Transmittal, as soon as practicable. All Outstanding Notes represented by certificates delivered to the Exchange Agent will be deemed to have been submitted for exchange unless otherwise indicated.

5. SIGNATURES ON LETTER OF TRANSMITTAL, STOCK POWERS AND ENDORSEMENTS. If this Letter of Transmittal is signed by the registered holder(s) of the Outstanding Notes to be Exchanged, the signature(s) must correspond exactly with the name(s) written on the face of the certificate(s).

If the Outstanding Notes to be Exchanged are owned of record by two or more joint owners, all the owners must sign this Letter of Transmittal.

IF OUTSTANDING NOTES TO BE EXCHANGED ARE REGISTERED IN DIFFERENT NAMES ON DIFFERENT CERTIFICATES, IT WILL BE NECESSARY TO COMPLETE, SIGN

AND SUBMIT AS MANY SEPARATE LETTERS OF TRANSMITTAL AS THERE ARE DIFFERENT REGISTRATIONS ON CERTIFICATES.

If this Letter of Transmittal or any certificates or written instruments of transfer are signed by a trustee, executor, administrator, guardian, attorney-in-fact, officer of a corporation or other person acting in a fiduciary or representative capacity, that person should so indicate when signing, and submit evidence satisfactory to the Purchaser of the person's authority so to act.

If this Letter of Transmittal is signed by the registered owner of the Outstanding Notes to be Exchanged, no endorsements of certificates or separate written instruments of transfer are required, unless certificates for Exchange Notes or for Outstanding Notes which are not exchanged are to be issued to a person other than the registered owner, in which case, endorsements of certificates or separate written instruments of transfer are required and signatures on those certificates or written instruments of transfer must be guaranteed by an Eligible Institution.

If this Letter of Transmittal is signed by a person other than the registered owner of the Outstanding Notes to be Exchanged, the certificates must be endorsed or accompanied by appropriate written instruments of transfer, in either case signed exactly as the name of the registered owner appears on the certificates. Signatures on the certificates or stock powers must be guaranteed by an Eligible Institution.

6. TRANSFER TAXES. Except as set forth in this Instruction 6, Questar Market Resources will pay any transfer taxes with respect to the transfer to it of Outstanding Notes to be Exchanged. If certificates for Exchange Notes or for Outstanding Notes which are not exchanged are to be registered in the name of any person other than the registered holder, or if tendered certificates are registered in the name of anyone other than the person signing this Letter of Transmittal, certificates representing Exchange Notes will not be issued until Questar Market Resources or the Exchange Agent receives satisfactory evidence of the payment of, or an exemption from the need to pay, transfer taxes.

Except as provided in this Instruction 6, it will not be necessary for transfer tax stamps to be affixed to the certificates submitted with this Letter of Transmittal.

7. SPECIAL ISSUANCE AND DELIVERY INSTRUCTIONS. If certificates for Exchange Notes or for Outstanding Notes which are not exchanged are to be issued in the name of a person other than the signer of this Letter of Transmittal, or are to be sent to someone other than the signer of this Letter of Transmittal or to an address other than the signer's address shown above, the appropriate boxes on this Letter of Transmittal must be completed. Noteholders who

submit notes by book-entry transfer may request that any notes which are not exchanged be credited to an account at DTC which the noteholder designates. If no instructions are given, notes tendered by book-entry transfer which are not exchanged will be returned by crediting the account at DTC designated above.

8. REQUESTS FOR ASSISTANCE OR ADDITIONAL COPIES. Requests for assistance may be directed to, or additional copies of the Prospectus and this Letter of Transmittal may be obtained from, Questar Market Resources Investor Relations at 700 Northwest 107th Avenue, Miami, Florida 33172, or from your broker, dealer, commercial bank or trust company.

9. WAIVER OF REQUIREMENTS. The requirements described above may be waived by Questar Market Resources, in whole or in part, at any time and from time to time, in Questar Market Resources's sole discretion, and may be waived as to Outstanding Notes submitted by particular noteholders, even if similar requirements are not waived as to other noteholders.

Important: This Letter of Transmittal, together with certificates or confirmation of book-entry transfer, must be received by the Exchange Agent before 5:00 P.M., New York City time, on , 2002.

(DO NOT WRITE IN THE SPACES BELOW)

Date Received _____ Accepted by _____ Checked by _____

Certificates Surrendered	Outstanding Notes Submitted	Outstanding Notes Accepted	Exchange Notes Issued	Exchange Notes Certificat	Outstanding Notes Returned	Outstanding Notes Certificate No.	Block No.

Delivery Prepared by _____ Checked by _____ Date _____

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Exhibit 99.02

NOTICE OF GUARANTEED DELIVERY
FOR TENDER FOR EXCHANGE OF
7% NOTES DUE 2007
FOR 7% EXCHANGE NOTES DUE 2007
OF
Questar Market Resources, Inc.

This Notice of Guaranteed Delivery, or one substantially equivalent to this form, must be used to accept the Exchange Offer (as defined below) if (i) the procedures for delivery by book-entry transfer cannot be completed on a timely basis, (ii) certificates for the Company's (as defined below) 7% Notes due 2007 (the "Outstanding Notes") are not immediately available or (iii) the Outstanding Notes, the Letter of Transmittal and all other required documents cannot be delivered to Bank One Trust Company, N.A. (the "Exchange Agent") on or prior to , 2002 (the "Expiration Date"). This Notice of Guaranteed Delivery may be delivered by hand, overnight courier or mail, or transmitted by facsimile transmission, to the Exchange Agent. See "The Exchange Offer—Guaranteed Delivery Procedures" in the Prospectus.

THE EXCHANGE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 5:00 P.M., NEW YORK CITY TIME, ON , 2002, UNLESS EXTENDED.

The Exchange Agent for the Exchange Offer is:
Bank One Trust Company, N.A.

By Overnight Courier or Registered or Certified Mail:
Bank One Trust Company, N.A.
Global Corporate Trust Services
1 Bank One Plaza, Suite IL1-0134
Chicago, Illinois 60670-0134
Attention: Exchanges

By Hand Delivery:

Bank One Trust Company, N.A.
14 Wall Street, 8th Floor
New York, New York 10005
Attention: Exchanges

or

Bank One Trust Company, N.A.
One North State Street, 9th Floor
Chicago, Illinois 60602
Attention: Exchanges

Facsimile: (312) 407-8853

DELIVERY OF THIS NOTICE OF GUARANTEED DELIVERY TO AN ADDRESS OTHER THAN AS SET FORTH ABOVE OR TRANSMISSION OF THIS NOTICE OF GUARANTEED DELIVERY VIA FACSIMILE TO A NUMBER OTHER THAN AS SET FORTH ABOVE WILL NOT CONSTITUTE A VALID DELIVERY.

IF YOU HAVE ANY QUESTIONS REGARDING THIS NOTICE OF GUARANTEED DELIVERY OR REQUESTS FOR ADDITIONAL INFORMATION, PLEASE CONTACT THE EXCHANGE AGENT AT (800) 524-9472.

THIS NOTICE OF GUARANTEED DELIVERY IS NOT TO BE USED TO GUARANTEE SIGNATURES. IF A SIGNATURE ON A LETTER OF TRANSMITTAL IS REQUIRED TO BE GUARANTEED BY AN "ELIGIBLE INSTITUTION" UNDER THE INSTRUCTIONS THERETO, SUCH SIGNATURE GUARANTEE MUST APPEAR IN THE APPLICABLE SPACE PROVIDED IN THE SIGNATURE BOX ON THE LETTER OF TRANSMITTAL.

THE GUARANTEE ON THE NEXT PAGE MUST BE COMPLETED.

Ladies and Gentlemen:

The undersigned hereby tenders to **Questar Market Resources, Inc.,** a Utah corporation (the "Company"), upon the terms and subject to the conditions set forth in the Prospectus dated , 2002 (as the same may be amended or supplemented from time to time, the "Prospectus") and the related Letter of Transmittal (which together constitute the "Exchange Offer"), receipt of which is hereby acknowledged, the aggregate liquidation amount of Outstanding Notes set forth below pursuant to the guaranteed delivery procedure set forth in the Prospectus under the caption "The Exchange Offer—Guaranteed Delivery Procedures."

All authority herein conferred or agreed to be conferred in this Notice of Guarantee of Delivery and every obligation of the undersigned hereunder shall be binding upon the successors, assigns, heirs, executors, administrators, and legal representatives of the undersigned and shall not be affected by and shall survive the death or incapacity of the undersigned.

Aggregate Principal Amount Tendered:

Check box if Outstanding Notes will be delivered by book-entry transfer and provide account number.
/ / The Depository Trust Company
DTC Account Number:

Date:

(Name(s) of Registered Holder(s))—Please Print

(Address of Registered Holder(s))

(Zip Code)

(Area Code and Telephone No.)

(Name(s) of Authorized Signatory)

(Capacity)

(Address(es) of Authorized Signatory)

(Area Code and Telephone No.)

Signature(s) of Record Holder or Authorized Signatory
Dated:

This Notice of Guaranteed Delivery must be signed by the registered holder(s) of the Outstanding Notes tendered hereby exactly as their name(s) appear on the certificates for such Outstanding Notes or on a security position listing such holder(s) as the owner(s) of such Outstanding Notes, or by person(s) authorized to become registered holder(s) of such Outstanding Notes by endorsements and documents submitted with this Notice of Guaranteed Delivery. If signature is by a trustee, executor, administrator, guardian, attorney-in-fact, officer of a corporation or other person acting in the fiduciary or representative capacity, such person must provide the preceding information and, unless waived by the Company, submit with the Letter of Transmittal evidence satisfactory to the Company of such person's authority to so act.

GUARANTEE OF DELIVERY

(Not to be used for signature guarantee)

The undersigned, a firm or other entity identified in Rule 17Ad-15 under the Securities Exchange Act of 1934, as amended, as an "eligible guarantor institution," including (as such terms are defined therein): (1) a bank; (2) a broker, dealer, municipal securities broker, municipal securities dealer, government securities broker, government securities dealer; (3) a credit union; (4) a national securities exchange, registered securities association or clearing agency; or (5) a savings association that is a participant in a Securities Transfer Association recognized program (each of the foregoing being referred to as an "Eligible Institution"), hereby guarantees to deliver to the Exchange Agent at its address set forth above, either the Outstanding Notes tendered hereby in proper form for transfer, or confirmation of the book-entry transfer of such Outstanding Notes to the Exchange Agent's account at The Depository Trust Company ("DTC"), pursuant to the procedures for book-entry transfer set forth in the Prospectus, in either case together with one or more properly completed and duly executed Letter(s) of Transmittal (or facsimile thereof) and any other required documents within three business days after the date of execution of this Notice of Guaranteed Delivery. The undersigned acknowledges that it must deliver the Letter(s) of Transmittal (or facsimile thereof) and the Outstanding Notes tendered hereby to the Exchange Agent within the time period set forth above and that failure to do so could result in a financial loss to the undersigned.

Name of Firm:

Address:

Zip Code

Area Code and Telephone Number:

Authorized Signature

Name:

Please Type of Print

Title:

Dated:

, 2001

NOTE: **DO NOT SEND OUTSTANDING NOTES WITH THIS NOTICE OF GUARANTEED DELIVERY. ACTUAL SURRENDER OF OUTSTANDING NOTES MUST BE MADE PURSUANT TO, AND BE ACCOMPANIED BY, A PROPERLY COMPLETED AND DULY EXECUTED LETTER OF TRANSMITTAL AND ANY OTHER REQUIRED DOCUMENTS.**

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