SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

/X/ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE QUARTERLY PERIOD ENDED MARCH 31, 2002.

OR

/ / TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE TRANSITION PERIOD FROM ____ TO ____

Commission File No. 0-30321

QUESTAR MARKET RESOURCES, INC.
(Exact name of registrant as specified in its charter)

STATE OF UTAH	87-0287750
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
P.O. Box 45601, 180 East 100 South, Salt Lake City, Utah	84145-0601
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (801) 324-2600

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes /X/ No / /

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

CLASS	OUTSTANDING AS OF APRIL 30, 2002
Common Stock, $1.00 par value	4,309,427 shares

Registrant meets the conditions set forth in General Instruction H(a)(1) and (b) of Form 10-Q and is filing this Form 10- with the reduced disclosure format.

PART I FINANCIAL INFORMATION
Item 1. Financial Statements
QUESTAR MARKET RESOURCES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)

3 Months Ended March 31,
2002 2001 ----------------
----------- (In Thousands)
REVENUES $ 153,129 $
258,846 OPERATING EXPENSES
Cost of natural gas and
other products sold 49,064
141,580 Operating and
maintenance 35,384 23,719
Exploration 2,748 1,067
Depreciation, depletion
and amortization 29,284
20,839 Abandonment and
impairment of gas and oil
properties 306 550
Production and other taxes
7,399 16,837 Wexpro
settlement agreement - oil
income sharing 281 1,179 -

TOTAL OPERATING EXPENSES

124,466 205,771 ----------

OPERATING INCOME 28,663
53,075 INTEREST AND OTHER
INCOME 5,754 11,951
MINORITY INTEREST 97 62
INCOME FROM UNCONSOLIDATED
AFFILIATES 435 49 DEBT
EXPENSE (8,419) (4,985) --

INCOME BEFORE INCOME TAXES
26,530 60,152 INCOME TAXES
8,928 21,808 -------------
-------------- NET INCOME
$ 17,602 $ 38,344
===========================

See notes to consolidated financial statements

QUESTAR MARKET RESOURCES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS

March 31, December 31, 2002
2001 (Unaudited) -----------
---------------- (In
Thousands) ASSETS Current
assets Cash and cash
equivalents $ - $ 2,270
Notes receivable from
Questar Corp. 13,600 9,500
Accounts receivable, net
84,829 98,303 Hedging
contracts 236 50,270
Inventories, at lower of
average cost or market - Gas
and oil storage 5,010 14,245
Materials and supplies 5,329
5,127 Prepaid expenses and
other 11,561 11,661 --------
--------------------- Total
current assets 120,565
191,376 --------------------
--------- Property, plant
and equipment 2,015,549
1,979,164 Less accumulated
depreciation, depletion and
amortization 759,882 731,330

- Net property, plant and
equipment 1,255,667
1,247,834 ------------------
----------- Investment in
unconsolidated affiliates
22,169 23,829 Other assets
Goodwill 66,823 66,823 Cash
held in escrow account 5,084
Other 4,273 3,279 ----------
------------------- 76,180
70,102 ---------------------
-------- $ 1,474,581 $
1,533,141
=============================
LIABILITIES AND
SHAREHOLDER'S EQUITY Current
liabilities Checks
outstanding in excess of
cash balance $ 1,773 $ -
Notes payable to Questar
Corp. 189,400 275,100
Accounts payable and accrued
expenses 113,432 133,053
Current portion of long-term
debt 1,598 1,696 -----------
------------------ Total
current liabilities 306,203
409,849 --------------------
--------- Long-term debt,

less current portion 480,365
402,226 Other liabilities
12,452 11,244 Deferred
income taxes 158,601 175,024
Minority interest 8,373
8,369 Common shareholder's
equity Common stock 4,309
4,309 Additional paid-in
capital 116,027 116,027
Retained earnings 396,531
383,254 Other comprehensive
income (loss) (8,280) 22,839

- Total common shareholder's
equity 508,587 526,429 -----
----------------------- $
1,474,581 $ 1,533,141
============================

See notes to consolidated financial statements

QUESTAR MARKET RESOURCES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

3 Months Ended March 31, 2002
2001 -----------------------
----- (In Thousands)
OPERATING ACTIVITIES Net
income $ 17,602 $ 38,344
Depreciation, depletion and
amortization 30,578 21,018
Deferred income taxes 2,332
9,538 Abandonment and
impairment of gas and oil
properties 306 550 Income
from unconsolidated
affiliates, net of cash
distributions and minority
interest 1,563 162 Gain from
sale of properties (4,494)
(10,543) Changes in operating
assets and liabilities 2,342
45,474 ----------------------
------- NET CASH PROVIDED
FROM OPERATING ACTIVITIES
50,229 104,543 INVESTING
ACTIVITIES Capital
expenditures (38,887)
(23,408) Proceeds from
disposition of property,
plant and equipment 5,608
25,830 ----------------------
------- NET CASH (USED IN)
PROVIDED FROM INVESTING
ACTIVITIES (33,279) 2,422
FINANCING ACTIVITIES Increase
in notes receivable from
Questar Corp. (4,100)
(20,300) Decrease in notes
payable to Questar Corp.
(85,700) (40,500) Checks
outstanding in excess of cash
balance 1,773 741 Decrease in
short-term loans (12,500)
Increase in cash balance in
escrow account (5,084)
(21,131) Long-term debt
issued 200,000 185,000 Long-
term debt repaid (121,881)
(197,569) Other 101 (159)
Payment of dividends (4,325)
(4,325) ---------------------
--------- NET CASH USED IN
FINANCING ACTIVITIES (19,216)
(110,743) Foreign currency
translation adjustment (4)

(202) -----------------------
------- Change in cash and cash equivalents (2,270) (3,980) Beginning cash and cash equivalents 2,270 3,980

- Ending cash and cash equivalents $ - $ -
==============================

See notes to consolidated financial statements

QUESTAR MARKET RESOURCES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2002
(Unaudited)

Note 1 - Basis of Presentation

The interim financial statements reflect all adjustments which are, in the opinion of management, necessary for a fair presentation of the results of operations for the interim period presented. All such adjustments are of a normal recurring nature. The results of operations for the three-month period ended March 31, 2002 are not necessarily indicative of the results that may be expected for the year ending December 31, 2002. For further information refer to the consolidated financial statements and footnotes thereto included in the Company's annual report on Form 10-K for the year ended December 31, 2001.

Note 2 - New Accounting Standards

GOODWILL AND OTHER INTANGIBLE ASSETS
Statement of Financial Accounting Standards 142 "Goodwill and Other Intangible Assets" (SFAS 142) was issued in June 2001. SFAS 142 addresses, among other things, the financial accounting and reporting for goodwill subsequent to an acquisition. According to the new standard, amortization of goodwill was replaced by a requirement to test goodwill for impairment at least yearly or sooner if a specific triggering event occurs. QMR acquired $66.8 million of goodwill on July 31, 2001, which was exempt from amortization under the new guidelines in SFAS 142. The Company adopted the remaining provisions of SFAS 142 as of January 1, 2002 and completed an initial impairment test with no indication of impairment.

IMPAIRMENT OR DISPOSAL OF LONG-LIVED ASSETS
The Company adopted SFAS 144 "Accounting for the Impairment or Disposal of Long-Lived Assets" as of January 1, 2002 without an impact in the balance sheet, income statement or statement of cash flows.

Note 3 - Investment in Unconsolidated Affiliates

QMR, indirectly through subsidiaries, has interests in businesses accounted for on the equity basis. These entities are engaged primarily in gathering and processing of natural gas. As of March 31, 2002, these affiliates did not have debt obligations with third-party lenders. The principal businesses and percentage ownership were Canyon Creek Compression Co. (15%), Blacks Fork Gas Processing Co. (50%) and Rendezvous Gas Services LLC (50%).

Summarized operating results of the partnerships are listed below.

	3 Months Ended March 31, 2002	2001
	(In Thousands)	
Revenues	$ 4,816	$ 8,579
Operating income	1,154	165
Income before income		

taxes 1,173 298

Note 4 - Operations By Line of Business

	3 Months Ended March 31, 2002	2001
	(In Thousands)	
REVENUES FROM UNAFFILIATED CUSTOMERS		
Exploration and production	$ 67,269	$ 78,320
Cost of service	2,582	5,066
Gathering, processing and marketing	55,307	147,479
	$ 125,158	$ 230,865
REVENUES FROM AFFILIATED COMPANIES		
Exploration and production	$ 755	$ 4
Cost of service	23,929	23,375
Gathering, processing and marketing	3,287	4,602
	$ 27,971	$ 27,981
DEPRECIATION AND AMORTIZATION EXPENSE		
Exploration and production	$ 22,559	$ 15,700
Cost of service	5,179	3,768
Gathering, processing and marketing	1,546	1,371
	$ 29,284	$ 20,839
OPERATING INCOME		
Exploration and production	$ 13,496	$ 37,804
Cost of service	12,884	10,489
Gathering, processing and marketing	2,283	4,782
	$ 28,663	$ 53,075
NET INCOME		
Exploration and production	$ 8,746	$ 28,098
Cost of service	7,623	6,584
Gathering, processing and marketing	1,233	3,662
	$ 17,602	$ 38,344
FIXED ASSETS - NET, at period end		
Exploration and production	$ 963,670	$ 485,635
Cost of service	196,896	155,619
Gathering, processing and marketing	95,101	77,625
	$ 1,255,667	$ 718,879
GEOGRAPHIC INFORMATION		
REVENUES		
United States	$ 146,858	$ 245,500
Canada	6,271	13,346
	$ 153,129	$ 258,846
FIXED ASSETS - NET, at period end		
United States	$ 1,181,038	$ 635,023
Canada	74,629	83,856
	$	

1,255,667 $ 718,879
===========================

Note 5 - Comprehensive Income

Comprehensive income is the sum of net income as reported in the Consolidated Statements of Income and other comprehensive income transactions reported in Shareholder's Equity. Other comprehensive income transactions result from changes in the fair value of energy-price hedging contracts and interest-rate hedging contracts, and changes in the carrying value of foreign investments caused by foreign currency translation adjustments. These transactions are not the culmination of the earnings process, but result from periodically adjusting historical balances to fair value. Income or loss is realized when the gas or oil underlying the hedging contracts is sold. Interest expense is adjusted quarterly for the difference between the variable-rate on the debt instruments and the fixed-rate interest swaps.

3 Months Ended March 31, 2002
2001 -------------------------
------ (In Thousands) Net
income $ 17,602 $ 38,344 Other
comprehensive loss Unrealized
loss on hedging transaction
(49,773) (52,100) Foreign
currency translation
adjustments (103) (2,269) ----

Other comprehensive loss
before income taxes (49,876)
(54,369) Income taxes on other
comprehensive loss (18,757)
(20,765) ---------------------
---------- Net other
comprehensive loss (31,119)
(33,604) ---------------------
---------- Total comprehensive
income (loss) $ (13,517) $
4,740
===============================

Note 6 - Financing

As part of a program to restructure its financing arrangements following the 2001 acquisition of SEI, QMR issued $200 million of notes in a private placement on January 16, 2002. The notes mature in five-years and have a coupon rate of 7%. Subsequently, the private placement notes were registered with the SEC and exchange notes with the same terms were issued in April 2002.

Note 7 - Reclassifications

Certain reclassifications were made to the 2001 financial statements to conform with the 2002 presentation.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

QUESTAR MARKET RESOURCES, INC. AND SUBSIDIARIES
March 31, 2002
(Unaudited)

Operating Results

Questar Market Resources (QMR or the Company) through its subsidiaries conducts gas and oil exploration, development and production, gas gathering and processing, and energy marketing operations. Wexpro, a subsidiary of QMR, conducts cost of service development of gas reserves on behalf of Questar Gas, an affiliated company. Following is a summary of QMR's financial results and operating information.

3 Months Ended March
31, 2002 2001 --------

FINANCIAL RESULTS -

(In thousands)
Revenues From
unaffiliated customers
$125,158 $230,865 From
affiliates 27,971
27,981 ---------------
-------- Total
revenues $153,129
$258,846
=======================
Operating income $
28,663 $ 53,075 Net
income 17,602 38,344
OPERATING STATISTICS
Nonregulated
production volumes
Natural gas (in
million cubic feet)
20,007 15,787 Oil and
natural gas liquids
(in thousands of
barrels) 747 495
Nonregulated
production revenue
(average selling
price) Natural gas
(per thousand cubic
feet) $ 2.44 $4.17 Oil
and natural gas
liquids (per barrel) $
18.85 $21.48 Wexpro
investment base at
March 31, net of
deferred income taxes
(in millions) $ 163.0
$ 122.2 Marketing
volumes (in thousands
of energy equivalent
decatherms) 22,465
24,028 Natural gas
gathering volumes (in
thousands of
decatherms) For
unaffiliated customers
23,904 22,085 For
Questar Gas 12,223
10,211 For other
affiliated customers
7,387 6,799 ----------
------------- Total
gathering 43,514
39,095
=======================
Gathering revenue (per
decatherm) $ 0.14 $
0.13

Revenues

Lower selling prices for energy more than offset the effect of higher natural gas production resulting in a 41% decrease in revenues. In the first quarter of 2002, nonregulated production increased 31% to 24.5 billion cubic feet equivalent when compared with the first quarter of 2001. Natural gas production rose 27% and oil and natural gas liquids rose 51% due to the acquisition of Shenandoah Energy Inc. (SEI) on July 31, 2001. A combination of property sales and normal declines in producing fields put downward pressure on production from existing fields.

The average realized selling price for natural gas declined 41% from $4.17 to $2.44 per Mcf (thousand cubic feet), while the combined nonregulated oil and natural gas liquids selling price fell 12% to $18.85 per barrel. An energy shortage in the western United States combined with a cold winter to drive up first quarter 2001 energy prices. Weak energy prices in the first quarter of 2002 began to improve in March; too late to impact first quarter earnings. However as prices improved, QMR added to the number of its energy-price hedging contracts. A summary of QMR's energy-price hedging positions for equity gas and oil production, excluding Wexpro, follows:

Time periods under price hedging contracts	Percent of production		Average price net to the well	
	Gas	Oil	Gas Per Mcf	Oil Per bbl
2nd and 3rd quarters of 2002	61%	81%	$3.05	$22.82
4th quarter of 2002	53%	84%	$3.42	$22.82
12 months of 2003	47%	52%	$3.30	$21.80
12 months of 2004	28%		$3.23	

The practice of entering into energy-price hedging contracts benefited QMR in the first quarter of 2002 by incrementally adding $10.9 million to revenues from gas sales and $111,000 to revenues from the sale of oil. Approximately 35% of the volumes of equity gas production and 41% of the volumes of equity oil production, excluding Wexpro, were priced under hedging contracts in the quarter.

Marketing revenues and margins also suffered from the decline in energy prices in the first quarter of 2002. The margin, representing revenues less the costs to purchase gas and oil and transportation of gas, decreased from $4.5 million in the first quarter of 2001 to $3.1 million in the first quarter of 2002. Also, the volumes marketed declined by 7% during the same period to period comparison.

Expenses

Operating and maintenance expenses, which include general overhead charges, were $11.7 million higher in the first quarter of 2002 compared with the first quarter of 2001, because of additional producing properties and higher gas gathering charges. The additional operating and maintenance expenses associated with properties acquired during 2001 was $8.2 million. Gas gathering charges increased $1.4 million due to an 11% increase in volumes gathered. Exploration expenses increased as a result of drilling dry exploratory wells.

Depreciation, depletion and amortization expense increased 41% in the comparison of the first quarter of 2002 with the prior year quarter. As was mentioned, equity production volumes increased 31% and the average DD&A rate increased from $.83 per energy equivalent Mcf in 2001 to $.89 in 2002. Production and other taxes decreased following the decline of gas and oil prices.

Debt expense rose 69% in the first quarter of 2002 because of increased borrowing to finance the acquisition of SEI. Interest rates were lower in the first quarter of 2002 when compared with the same quarter in 2001.

The Rendezvous LLC with Western Resources began processing and gathering operations in the fourth quarter of 2001. This partnership's startup was responsible for the increase in earnings from unconsolidated affiliates. The effective income tax rate for the first quarter was 33.7% in 2002 and 36.3% in 2001. The decrease in the effective income tax was primarily due to the relationship of the nonconventional fuel tax credits, which changed only slightly, while income before income tax dropped by more than half. The Company recognized $1.1 million of nonconventional fuel tax credits in the 2002 period and $1.2 million in the 2001 period.

Other income

QMR sold non-strategic producing properties resulting in pretax gains of $4.5 million in 2002 and $9.4 million in 2001. In addition, the sale of gathering properties in the first quarter of 2001 generated a $1.1 million pretax gain. The after tax gains of property sales were $2.8 million in the first quarter of 2002 and $6.6 million in the first quarter of 2001.

Wexpro's earnings

Wexpro's net income was $1.0 million higher in 2002. Wexpro's investment in gas development projects grew $40.8 million from the level reported at March 31, 2001. Wexpro conducts cost of service development of gas reserves on behalf of Questar Gas.

Liquidity and Capital Resources

Operating Activities

Net cash provided from operating activities in the first quarter of 2002 was $54.3 million less than the net cash flow generated in the first quarter of 2001. In the first quarter of 2001, cash flow from operating activities benefited from higher net income, the release of cash deposited as collateral for qualifying hedging contracts, and the collection of receivables.

Investing Activities

Capital expenditures amounted to $38.9 million in the first quarter of 2002, up $15.5 million from a year ago because of increased well drilling activities. Capital expenditures for calendar year 2002 are forecast to reach $190 million.

Financing Activities

Net cash flow from operating activities was more than sufficient to finance first quarter 2002 capital expenditures. The excess cash flow plus the proceeds from issuing $200 million of five-year, 7% notes in January 2002 was used to repay $207.6 million of debt. The issuance of long-term debt was part of a debt restructuring plan that QMR has undertaken since acquiring SEI. QMR expects to finance remaining 2002 capital expenditures and reduce its debt balance using net cash flow provided from operating activities and the proceeds from selling non-strategic assets.

Moody's Reviews Possible Downgrade of Debt Ratings

On May 2, 2002, Moody's Investors Service placed Questar Market Resources under review for a possible rating downgrade of the Company's Baa2 senior unsecured debt. In the same notice, Moody's also placed QMR's parent company, Questar Corporation and affiliated companies, Questar Pipeline and Questar Gas under review. The review was prompted by Moody's concern of Questar's leverage following the $403 million acquisition of Shenandoah Energy Inc. in 2001 and the shift in business mix towards nonregulated businesses. Moody's review will assess Questar's plan to reduce its leverage and to manage increased business risk and commodity price exposure.

Quantitative and Qualitative Disclosures about Market Risk

QMR's primary market-risk exposures arise from commodity-price changes for natural gas, oil and other hydrocarbons and changes in interest rates. QMR also has an investment in a foreign operation that subjects it to exchange-rate risk. A QMR subsidiary has long-term contracts for pipeline capacity for the next several years and is obligated for transportation services with no guarantee that it will be able to recover the full cost of these transportation commitments.

Hedging Policy

The Company has established policies and procedures for managing market risks through the use of commodity-based derivative arrangements. The primary objectives of these energy-price hedging transactions are to support the Company's earnings targets and to protect earnings from downward movements in commodity prices. The Company targets between 50 and 75% of the current year's production to be hedged at or above budget levels by the end of March in the current year. The Company will add incrementally to these hedges, to reach forward beyond the current year when price levels are attractive. The volume of production hedged and the mix of derivative instruments employed are regularly evaluated and adjusted by management in response to changing market conditions and reviewed periodically by the Company's Board of Directors. Additionally, under the terms of the QMR's revolving credit facility, not more than 75% of Market Resources' production quantities can be committed to hedging arrangements. The Company does not enter into derivative arrangements for speculative purposes.

Energy-Price Risk Management

Oil and natural gas prices fluctuate in response to many factors including changes in supply and demand. QMR bears a majority of the risk associated with commodity price changes and uses energy-price hedging arrangements in the normal course of business to limit the risk of adverse price movements. However, these same arrangements usually limit future gains from favorable price movements.

QMR held energy-price hedging contracts covering the price exposure for about 77.4 million dth of gas and 2.6 million barrels of oil as March 31, 2002. The fair value of these hedging contracts was a $236,000 current asset. The fair value of the hedging contracts declined $50.7 million from the current asset measured at December 31, 2001. Settlement of contracts represented $16.0 million of the change and decline in energy prices on futures markets amounted to $34.7 million of the change. The hedging contracts exist for a significant share of QMR-owned gas and oil production and for a portion of energy-marketing transactions. A portion of the contracts at March 31, 2002 had terms extending through December 2004. About 63% of those contracts, representing approximately $3.0 million, will settle and be reclassified from other comprehensive income in the next 12 months. A year earlier QMR held hedging contracts covering 42.6 million dth of natural gas and 735,000 barrels of oil.

QMR's undiscounted mark-to-market valuation of financial gas and oil price-hedging contracts plus a sensitivity analysis follows:

	2002	2001
	(In Millions)	
Mark-to-market valuation as of March 31,	$ (4.0)	$(48.4)
Value if gas and oil prices decrease by 10%	$ 24.1	$(39.4)
Value if gas and oil prices increase by 10%	$(32.1)	$(57.3)

The calculations reflect energy prices posted on the NYMEX, various "into the pipe" postings, and fixed prices on the indicated dates. These sensitivity calculations do not consider changes in the fair value of the corresponding scheduled physical transactions (i.e., the correlation between the index price and the price to be realized for the physical delivery of gas or oil production), which should largely offset the change in value of the hedge contracts. Also, the sensitivity measures exclude mark-to-market calculations on physical hedge contracts, where settlement is

achieved through delivery of the gas or oil as opposed to cash settlements with counterparties.

Interest-Rate Risk Management

As of March 31, 2002, QMR had $132 million of floating-rate long-term debt and $350 million of fixed-rate long-term debt. The book value of variable-rate long-term debt approximates fair value. Effective October 2001, the Company hedged $100 million of variable-rate debt by entering a fixed-rate interest swap for one year. Declining interest rates have resulted in a $627,000 reduction in the fair value of the interest-rate hedge.

Foreign Currency Risk Management

The Company does not hedge the foreign currency exposure of its foreign operation's net assets and long-term debt. Long-term debt held by the foreign operation, amounting to $61.1 million (U.S.), is expected to be repaid from future operations of the foreign company.

Forward-Looking Statements

This report includes "forward-looking statements" within the meaning of Section 27(A) of the Securities Act of 1933, as amended, and Section 21(E) of the Securities Exchange Act of 1934, as amended. All statements other than statements of historical facts included or incorporated by reference in this report, including, without limitation, statements regarding the Company's 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 these statements are made in good faith and are reasonable representations of the Company's expected performance at the time, actual results may vary from management's stated expectations and projections due to a variety of factors.

Important assumptions and other significant 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, land-access and environmental issues, rate-regulatory issues, regulation of the Wexpro settlement agreement, availability of gas and oil properties for sale or for exploration and other factors beyond the control of the Company. These other factors include the rate of inflation, assumptions used in business combinations, the weather and other natural phenomena, the effect of accounting policies issued periodically by accounting standard-setting bodies, possible adverse repercussions from terrorist attacks or acts of war, and adverse changes in the business or financial condition of the Company.

Item 1. Legal Proceedings.

There are various legal proceedings pending against Questar Market Resources, Inc. ("QMR" or the "Company"). Management believes that the outcome of these cases will not have a material adverse effect on the Company's financial position or liquidity. Two significant cases are discussed below:

a. Questar Exploration and Production Company ("Questar E&P"), a wholly owned subsidiary of the Company, recently negotiated a settlement in a royalty class action case involving production from wells connected to a gas gathering system and related processing plants collectively known as the Northeast Enid Pipeline System, which is located in Oklahoma. The case, officially referred to as THE MARJORIE LAVERNE MCINTOSH TRUST V. QUESTAR EXPLORATION AND PRODUCTION CO., was recently filed to obtain class certification and to have the settlement agreement formally approved. Under the terms of the settlement agreement, which received its final approval on May 1, 2002, Questar E&P will contribute approximately $1.1 million to settle the claims.

b. Questar E&P and Wexpro Company ("Wexpro," which is another wholly owned subsidiary of QMR) have also been named as defendants in cases (SUSAN L. BISHOP ET AL V. QUESTAR GAS CO. AND WEXPRO CO. AND SUSAN L. BISHOP ET AL V. QUESTAR EXPLORATION AND PRODUCTION CO.) that were filed in Sweetwater County, Wyoming, in which the plaintiffs claim that the two entities underpaid royalties because they deducted gathering fees and other charges when calculating such royalties. The cases are similar to other cases filed against producers in Wyoming, and the Questar parties are working with other producers to coordinate their defenses to the allegations.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly

caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

QUESTAR MARKET RESOURCES, INC.
(Registrant)

May 13, 2002	/s/ G. L. Nordloh
(Date)	G. L. Nordloh President and Chief Executive Officer
May 13, 2002	/s/ S. E. Parks
(Date)	S. E. Parks Vice President, Treasurer and Chief Financial Officer