SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

(Mark One)

X ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2000 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.)
180 East 100 South, P.O. Box 45601, Salt Lake City, Utah	84145-0601
(Address of principal executive offices)	(Zip code)

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

SECURITIES REGISTERED PURSUANT TO SECTION 12(b) OF THE ACT:
None
SECURITIES REGISTERED PURSUANT TO SECTION 12(g) OF THE ACT:
Common Stock, $1.00 Par Value
SECURITIES REGISTERED PURSUANT TO THE SECURITIES ACT OF 1933:
7 1/2% Notes Due 2011

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

State the aggregate market value of the voting stock held by nonaffiliates of the registrant as of March 1, 2001. $0.

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of March 1, 2001. 4,309,427 shares of Common Stock, $1.00 par value. (All shares are owned by Questar Corporation.)

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

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PART I

ITEM 1. BUSINESS.

General

Questar Market Resources, Inc. (the "Company or QMR;" this reference shall include the Company's wholly-owned subsidiaries) is a wholly-owned subsidiary of Questar Corporation ("Questar"), which is a publicly traded and diversified energy services company. Questar has two principal business units--Regulated Services and Market Resources. QMR and its subsidiaries comprise the Market Resources unit of Questar and engage in oil and gas exploration, development and production; gas gathering and processing; wholesale gas, electricity and hydrocarbon liquids trading. In conjunction with its production activities, QMR also acquires producing oil and gas properties.

As noted in the following chart, QMR itself is a subholding company that conducts its activities through Questar Exploration and Production Company ("Questar E&P") and its Canadian subsidiaries, Celsius Energy Resources, Ltd. ("Celsius") and Canor Energy Ltd. ("Canor"); Wexpro Company ("Wexpro"); Questar Gas Management Company ("Questar Gas Management") and Questar Energy Trading Company ("Questar Energy Trading").

Questar Corporation

Questar InfoComm , Inc. (Information Services)

QUESTAR MARKET RESOURCES, INC. (Subholding Company)
- Wexpro Company (Manages and Develops Cost-of-Service Properties for Questar Gas)
  - Questar Exploration and Production Company (Exploration and Production)
- Celsius Energy Resources Ltd. and Canor Energy Ltd. (Exploration & Production - Canada)
- Questar Energy Trading Company (Wholesale Energy Marketing and Storage)
- Questar Gas Management Company (Gathering and Processing)

Questar Regulated Services Company (Subholding Company)
Questar Gas Company (Retail Distribution)
Questar Pipeline Company (Transportation and Storage)

QMR is the primary growth area within Questar's business strategy. Questar expects to spend 60-70 percent of its capital budget funds over the next five years on non-regulated activities, primarily within QMR, to expand reserves through drilling and acquisitions and to enlarge its infrastructure of gathering systems, processing plants, header facilities, and non-regulated storage facilities. Management of QMR believes that the diversity of the activities pursued by QMR enhances its basic strategy to pursue complementary growth. As the exploration and production companies find or acquire new reserves, Questar Gas Management should have more opportunities to expand gathering and processing activities, and Questar Energy Trading should have more physical production to support its marketing programs.

Business Strategy. QMR has the following strategies in its business:

- achieve a prudent, disciplined program to grow reserves;
- provide stakeholder value performance in both the short and long term;

- employ hedging and other risk management tools to manage cyclicality;
- maintain a strong balance sheet that permits prudent growth opportunities;
- maintain a portfolio of quality drilling prospects;
- identify and divest non-core and marginal assets and activities;
- proactively avoid litigation risks; and
- employ technology and proven innovations to reduce costs.

QMR's activities are described below:

Oil and Gas Exploration and Production - Questar E&P, Celsius, and Canor:

Questar's E&P group consists of Questar E&P and its Canadian subsidiaries Celsius and Canor. These entities form a unique E&P group that conducts a blended program of low-cost development drilling, low-risk reserve acquisition, and high-quality exploration.

The E&P group also maintains a geographical balance and diversity, while concentrating its activities in core areas where it has accumulated geological knowledge and has significant expertise. Core areas of activity include the Rocky Mountain region of Wyoming and Colorado; the Midcontinent region of Oklahoma, the Texas Panhandle, East Texas, and the Upper Gulf Coast; the Southwest region of northwestern New Mexico and southwestern Colorado; and the Western Canadian Sedimentary Basin located primarily in Alberta, Canada.

Natural gas remains the primary focus of the Company's E&P operations. As of year-end 2000, the Company had proved reserves (excluding cost-of-service reserves belonging to its affiliate Questar Gas Company ("Questar Gas")) of 639.9 billion cubic feet ("Bcf") of gas and 15.0 million barrels ("MMBbls") of oil and natural gas liquids, compared to 514.5 Bcf of gas and 13.9 MMBbls of oil as of the same date in 1999. (Any references to oil in this Report include natural gas liquids.) On an energy-equivalent basis ratio of six thousand cubic feet ("Mcf") of natural gas to one barrel ("Bbl") of crude oil, natural gas comprised approximately 87.6 percent of total regulated proved reserves. Proved developed reserves constituted 77.6 percent of the total non-regulated proved reserves reported. Approximately 9.4 percent of the group's natural gas proved reserves and 24.7 percent of its oil proved reserves are located in Canada. See Note 10 of the Notes to Consolidated Financial Statements under Item 14 of this Report for additional information concerning QMR's reserves. See "Glossary of Commonly Used Oil and Gas Terms" on page __ of this Report.

Development and Production - Wexpro Company

QMR conducts development drilling and provides production services to Questar Gas through Wexpro. Wexpro was incorporated in

1976 as a subsidiary of Questar Gas. Questar Gas's efforts to transfer producing properties and leasehold acreage to Wexpro resulted in protracted regulatory proceedings and legal adjudications that ended with a court-approved settlement agreement that was effective August 1, 1981. A summary of the Wexpro settlement agreement is contained in Note 8 of the Notes to Consolidated Financial Statements under Item No. 14 of this Report. Ownership of Wexpro was moved from Questar Gas to QMR in 1982.

Wexpro, unlike members of the E&P group, does not conduct exploratory operations and does not acquire leasehold acreage for exploration activities. It conducts oil and gas development and production activities on certain producing properties located in the Rocky Mountain region under the terms of the settlement agreement. Wexpro produces gas from specified properties for Questar Gas and is reimbursed for its costs plus a return on its investment. In connection with its operations, Wexpro charges Questar Gas for its costs plus a specified rate of return, which averaged 19.5 percent on an after-tax basis in 2000 and is adjusted annually based on a specified formula, on its net investment in such properties adjusted for working capital and deferred taxes. At year-end 2000, Wexpro's investment (net of deferred income taxes) in cost-of-service operations was $124.8 million compared to $108.9 million at year-end 1999. Under the terms of the settlement agreement, Wexpro bears all dry hole costs. The settlement agreement is monitored by the Utah Division of Public Utilities, the staff of the Public Service Commission of Wyoming and experts retained by these agencies.

The gas volumes produced by Wexpro for Questar Gas are reflected in the latter's rates at cost-of-service prices. Cost-of-service gas (defined to include the gas attributable to royalty interest owners) produced by Wexpro satisfied 48 percent of Questar Gas's system requirements during 2000. Questar Gas relies upon Wexpro's drilling program to develop the properties from which the cost-of-service gas is produced. During 2000, the average wellhead cost of Questar Gas's cost-of-service gas was $1.78 per decatherm ("Dth"), which is lower than Questar Gas's average price for field-purchased gas.

Wexpro participates in drilling activities in response to the demands of other working interest owners, to protect its rights, and to meet the needs of Questar Gas. Wexpro, in 2000, produced 45.0 billion cubic feet equivalent ("Bcfe") of natural gas and hydrocarbon liquids from Questar Gas's cost-of-service properties and added reserves of 71.3 Bcfe through drilling activities and reserve estimate revisions. (These numbers do not include the related royalty gas.)

Wexpro, under the terms of the Wexpro agreement, owns oil-producing properties. The revenues from the sale of crude oil produced from such properties are used to recover operating expenses and provide Wexpro with a return on its investment. In addition, Wexpro receives 46 percent of any residual income. (The remaining income is received by Questar Gas and is used to reduce natural gas costs reflected in customer rates.)

Wexpro has an ownership interest in the wells and facilities related to its oil properties and in the wells and facilities that have been installed to develop and produce gas properties described above since August 1, 1981 (a date specified by the settlement agreement referred to above). Wexpro maintains an office in Rock Springs, Wyoming, in addition to its principal office in Salt Lake City, Utah.

Gathering, Processing and Marketing - Questar Gas Management and Questar Energy Trading:

Questar Gas Management conducts gathering and processing activities in the Rocky Mountain and Midcontinent areas. Its activities are not subject to regulation by the Federal Energy Regulatory Commission (the "FERC") because the Natural Gas Act of 1938 specifically provides that the FERC's jurisdiction does not extend to facilities involved in the production or gathering of natural gas. Questar Gas Management's core system and activities, however, reflect its historical connection to Questar Pipeline's regulated activities.

Questar Gas Management was formed in 1993 as a wholly-owned subsidiary of Questar Pipeline to construct and operate the Blacks Fork processing plant in southwestern Wyoming. It expanded in 1996 as a result of receiving Questar Pipeline's gathering assets and activities. In mid -1996, Questar Gas Management was moved from Regulated Services to QMR shortly after the transfer of gathering assets and acquired the processing plants that formerly belonged to Questar E&P.

Questar Gas Management's gathering system was originally built as part of a regulated enterprise. It consists of 1,284 miles of gathering lines, compressor stations, field dehydration plants and measuring stations and was largely built to gather production from Questar Gas's cost-of-service properties. Under a contract that was assigned when the gathering assets were transferred from Questar Pipeline, Questar Gas Management is obligated to gather the cost-of-service production for the life of the properties. During 2000, Questar Gas Management gathered 36.8 million decatherms ("MMDth") of natural gas for Questar Gas, compared to 32.1 million in 1999, for which it received $8.5 million, including $4.5 million in demand charges.

Questar Gas Management continues to expand the volumes of gas gathered for affiliates within QMR and for nonaffiliated customers. During 2000, Questar Gas Management gathered 25.0 MMDth for QMR affiliates, compared to 19.6 MMDth in 1999, and gathered 93.0 MMDth for nonaffiliated customers, compared to 85.0 MMDth in 1999. Questar Gas Management is interested in acquiring the existing gathering system for the Pinedale wells and constructing additional facilities in the area.

In addition to gathering activities, Questar Gas management is involved in processing activities. It continues to own a 50 percent interest in the Blacks Fork processing plant, which has a daily capacity of 84 MMcf and could be expanded. A processing plant strips liquids such as butane and ethane from natural gas volumes to enable the producers to meet pipeline specifications for their gas volumes and to take advantage of historical price advantages for natural gas liquids when compared to natural gas volumes. Questar Gas Management and Wexpro jointly own a processing facility located in the Canyon Creek area of southwestern Wyoming that has an operating capacity of 43 MMcf per day. It owns interests in other processing plants in the Rocky Mountain and Midcontinent areas.

Questar Gas Management's 2000 increase in gathering activities reflects the increased value of natural gas volumes. It also processed more natural gas liquids during 2000 in response to their increased value, but plant volumes slowed significantly in the last months of 2000 as natural gas became disproportionately valuable when compared to natural gas liquids.

Questar Energy Trading conducts energy marketing activities. It combines gas volumes purchased from third parties and equity production (production that is produced by affiliates) to build a flexible and reliable portfolio. Questar Energy Trading aggregates supplies of natural gas for delivery to large customers, including industrial users, municipalities, and other marketing entities. During 2000, the Company marketed a total of 100.6 MMDth of natural gas and .8 MMBbls of liquids and earned a margin of $.095 per equivalent Dth. (The volumes and margins exclude affiliated production.)

Questar Energy Trading uses derivatives as a risk management tool to provide price protection for physical transactions involving equity production (equity production is a term that refers to production owned by QMR subsidiaries) and marketing transactions. It executed hedges for equity production on behalf of Questar E&P with a variety of contracts for different periods of time. Questar Energy Trading does not engage in speculative hedging transactions.

As a wholesale marketing entity, Questar Energy Trading concentrates on markets in the Pacific Northwest, Rocky Mountains, Midwest, and western Canada that are close to reserves owned by affiliates or accessible by major pipelines.

Questar Energy Trading is expanding its capabilities in order to sustain its activities in an increasingly competitive environment in which parties are becoming more sophisticated. During 2000, it, through a limited liability company, commenced operating a private storage facility the Clear Creek project in southwestern Wyoming adjacent to several interstate pipelines. The storage reservoir has a working gas capacity of 4 Bcf.

Regulation

The Company's operations are subject to various levels of government controls and regulation in the United States and Canada at the federal, state/provincial, and local levels. Such regulation includes requiring permits for the drilling of wells; maintaining bonding requirements in order to drill or operate wells; submitting and implementing spill prevention plans; submitting notices relating to the presence, use and release of specified contaminants incidental to oil and gas regulations; and regulating the location of wells, the method of drilling and casing wells, surface usage and restoration of properties upon which wells have been drilled, the plugging and abandoning of wells and the transportation of production. QMR's operations are also subject to various conservation matters, including the regulation of the size of drilling and spacing units or proration unites, the number of wells that may be drilled in a unit, and the unitization or pooling of oil and gas properties. State conservation laws establish the maximum rates of production from oil and gas wells, generally prohibit the venting or flaring of gas, the impose certain requirements for the ratable purchase of production.

Some of QMR's leases, including many of its leases in the Rocky Mountain area, are granted by the federal government and administered by federal agencies. These leases require compliance with detailed financial regulations on such things as drilling and operations on the leases and the calculation and payment of royalties.

Various federal, state and local environmental laws and regulations affect the Company's operations and costs. These laws and regulations concern the generation, storage, transportation, disposal or discharge of contaminants into the environment and the general protection of public health, natural resources, wildlife, and the environment. They also impose substantial liabilities for any failure on the part of the Company to comply with them.

Each province in Canada and the federal government of Canada also have laws and regulations governing land tenure, royalties, production rates and taxes, and environmental protection.

Competition and Customers

QMR faces competition in all aspects of its business including the acquisition of reserves and leases; obtaining goods, services, and labor; and marketing its production. The Company's competitors include multinational energy companies and other independent producers, many of which have greater financial resources than QMR has.

The Company's business activities can be subject to seasonal variations. Historically, the demand for natural gas decreases during the summer months and increases during the winter months. The increasing demand for natural gas to generate electricity may cause increased demand during the hottest months of the summer. Weather (both in terms of temperatures and moisture) can have dramatic impacts on natural gas prices and the Company's operations.

The Company sells its natural gas production to a variety of customers including pipelines, gas marketing firms, industrial users, and local distribution companies. QMR's crude volumes are sold to refiners, remarketers and other companies, some of which have pipeline facilities near the producing properties. In the event pipeline facilities are not available, crude oil is trucked to storage, refining, or pipeline facilities.

Questar E&P maintains regional offices in Denver, Colorado and Tulsa and Oklahoma City in Oklahoma. Canadian operations are managed through an office in Calgary, Alberta.

Relationships with Affiliates

The subsidiaries of QMR have important relationships with their affiliates as described above. Questar provides certain administrative services, e.g., public and government relations, financial and audit, to QMR and other members of the consolidated group. Questar also sponsors the qualified and welfare plans in which QMR's employees participate. Each of the Company's subsidiaries is responsible for a proportionate share of the costs associated with these services and benefit plans.

Employees

As of December 31, 2000, QMR had 412 employees in the United States and 13 leased employees in Canada. None of these employees is represented under collective bargaining agreements. Employee relations are generally deemed to be satisfactory. QMR also periodically engages independent consulting petroleum engineers, environmental professionals, geologists, geophysicists, landmen and attorneys on a fee basis.

ITEM 2. PROPERTIES.

Reserves. The following table sets forth the Company's estimated proved reserves, the 10 percent present value of the estimated future net revenues from the reserves and the standardized measure of discounted net cash flows as of December 31, 2000. QMR's reserves were estimated by 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. The Company does not have any long-term supply contracts with foreign governments, or reserves of equity investees or of subsidiaries with a significant minority interest. These proved reserve volumes do not include cost-of-service reserves managed and developed by Wexpro for Questar Gas.

	December 31, 2000		
	United States	Canada	Total
Estimated proved reserves			
Natural gas (Bcf)	579.8	60.1	639.9
Oil and NGL (MMBbls)	11.3	3.7	15.0
Proved developed reserves (Bcfe)	492.3	74.1	566.4
Present value of estimated future net revenues before future income taxes discounted at 10% (in thousands) (1)	$2,348,638	$275,436	$2,624,074
Standardized measure of discounted net cash flows (in thousands) (2)	$1,542,204	$149,417	$1,691,621

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(1) Estimated future net revenue represents estimated future gross revenue to be generated from the production of proved reserves, net of estimated production and development costs (but excluding the effects of general and administrative expenses; debt service; depreciation, depletion and amortization; and income tax expense).

(2) The standardized measure of discounted net cash flows prepared by the Company represent the present value of estimated future net revenues after income taxes, discounted at 10 percent.

Estimates of the Company's proved reserves and future net revenues are made using sales prices estimated to be in effect as of the date of such reserve estimates and are held constant throughout the life of the properties (except to the extent a contract specifically provides for escalation). Estimated quantities of proved reserves and future net revenues are affected by natural gas and oil prices, which have fluctuated widely in recent years. There are numerous uncertainties inherent in estimating natural gas and oil reserves and their estimated values, including many factors beyond the control of the producer. The reserve data set forth in this document represent estimates.

Reference should be made to Note 10 of the Notes to Consolidated Financial Statements included in Item 14 of this Report for additional information pertaining to the Company's proved natural gas and oil reserves as of the end of each of the last three years.

During 2000, the Company filed estimated reserves as of year-end of Form EIA-23 with the Energy Information Administration in the Department of Energy and will submit a comparable report for 2000. Although QMR uses the same technical and economic assumption when it prepares the EIA-23, it is obligated to report reserves for wells it operates, not for all wells in which it has an interest, and to include the reserves attributable to other owners in such wells.

The following charts illustrate QMR's reserve statistics for the years ended December 31, 1996 through 2000:

Oil and Gas Reserves (Bcfe)*

Year	Year-End Reserves	Annual Production	Reserve Life (Years)
1996	493.6	51.5	9.6
1997	469.3	61.7	7.6
1998	574.1	65.3	8.8
1999	597.6	76.6	7.8
2000	730.1	82.3	8.9

*Does not include cost of service reserves managed and developed by Wexpro for Questar Gas.

Proportion of Proved Developed to Proved Reserves
and Proportion of Gas Reserves (Bcfe)*

Year	Total Proved Reserves	Proved Developed Reserves	Developed Percent of Total	Natural Gas Percentage of Proved Reserves
1996	493.6	410.1	83%	78%
1997	469.3	392.9	84%	81%
1998	574.1	506.0	88%	85%
1999	597.6	503.9	84%	86%
2000	730.1	566.4	78%	88%

*Does not include cost of service reserves managed and developed by Wexpro for Questar Gas.

Geographic Diversity of Producing Properties:

The following table summarizes proved reserves by the Company's major operating areas at December 31, 2000:

	Proved Reserves* (Bcfe)	% of Total
Mid-Continent	325.6	45%
Rocky Mountain Region (exclusive of Pinedale)	175.9	24%
Pinedale Anticline	146.2	20%
Western Canada	82.4	11%

*Does not include cost of service reserves managed and developed by Wexpro for Questar Gas.

Production. The following table sets forth the Company's net production volumes, the average sales prices per Mcf of gas, Bbl of oil and Bbl of natural gas liquids produced, and the production cost per Mcfe for the years ended December 31, 2000, 1999, and 1998, respectively:

	Year Ended December 31, 2000	1999	1998
United States (excluding cost of service activities)			
Volumes produced and sold			
Gas (Bcf)	61.7	59.8	48.6
Oil and NGL (MMBbls)	1.5	1.9	1.9
Sales Prices:			
Gas (per Mcf)	$ 2.80	$ 2.02	$ 1.95
Oil and NGL (per Bbl)	$19.61	$13.31	$12.41
Production costs per Mcfe	$ .69	$ .59	$ .64
Canada			
Volumes produced and sold			
Gas (Bcf)	7.3	2.9	2.7
Oil and NGL (MMBbls)	.7	0.4	0.4
Sales Prices:			
Gas (per Mcf)	$ 2.83	$ 1.61	$ 1.40
Oil and NGL (per Bbl)	$22.29	$16.56	$14.09

Production costs per Mcfe	$ .73	$ .67	$ .58

Productive Wells. The following table summarizes the Company's productive wells as of December 31, 2000:

Productive Wells (1) (2)

	Gas Wells		Oil Wells		Total Wells	
	Gross	Net	Gross	Net	Gross	Net
United States	3,702	1,554	1,046	401	4,748	1,955
Canada	542	187	202	67	744	254
Total:	4,244	1,741	1,248	468	5,492	2,209

(1) Although many of the Company's wells produce both oil and gas, a well is categorized as either an oil well or a gas well based upon the ratio of oil to gas production.

(2) Each well completed to more than one producing zone is counted as a single well. There were 140 gross wells with multiple completions.

The Company also held numerous overriding royalty interests in gas and oil wells, a portion of which are convertible to working interests after recovery of certain costs by third parties. After converting to working interests, these overriding royalty interests will be included in the Company's gross and net well count.

Leasehold Acreage. The following table summarizes developed and undeveloped leasehold acreage in which the Company owns a working interest as of December 31, 2000. "Undeveloped Acreage" includes (i) leasehold interests that already may have been classified as containing proved undeveloped reserves; and (ii) unleased mineral interest acreage owned by the Company. Excluded from the table is acreage in which the Company's interest is limited to royalty, overriding royalty, and other similar interests.

Leasehold Acreage - December 31, 2000

	Developed (1)		Undeveloped (2)		Total	
	Gross	Net	Gross	Net	Gross	Net
United States						
Arizona	-	-	480	450	480	450
Arkansas	37,729	16,569	1,230	373	38,959	16,942
California	760	265	23,102	9,043	23,862	9,308
Colorado	176,651	125,297	207,581	104,852	384,232	230,149
Idaho	-	-	44,175	10,643	44,175	10,643
Illinois	172	39	14,307	3,997	14,479	4,036
Indiana	-	-	1,621	467	1,621	467
Kansas	134	134	44,330	16,430	44,464	16,564
Kentucky	-	-	14,461	5,468	14,461	5,468
Louisiana	15,246	9,992	404	397	15,650	10,389
Michigan	-	-	6,200	1,266	6,200	1,266
Minnesota	-	-	313	104	313	104
Mississippi	25,706	21,408	859	273	26,565	21,681
Montana	25,285	10,187	319,745	58,594	345,030	68,781
Nevada	320	280	680	543	1,000	823
New Mexico	90,297	66,349	32,006	9,553	122,303	75,902
North Dakota	1,333	375	145,841	21,580	147,174	21,955
Ohio	-	-	202	43	202	43
Oklahoma	1,538,294	290,246	52,736	33,296	1,591,030	323,542
Oregon	-	-	43,869	7,671	43,869	7,671
South Dakota	-	-	204,558	107,988	204,558	107,988
Texas	168,336	61,000	51,881	40,725	220,217	101,725
Utah	45,712	35,001	109,180	43,280	154,892	78,281
Washington	-	-	26,631	10,149	26,631	10,149
West Virginia	969	115	-	-	969	115
Wyoming	221,718	142,625	447,233	268,848	668,951	411,473
Total U.S.	2,348,662	779,882	1,793,625	756,033	4,142,287	1,535,915
Canada						
Alberta	222,938	82,919	324,636	135,474	547,574	218,393
British Columbia	33,069	8,485	42,108	21,719	75,177	30,204
Saskatchewan	2,277	1,061	4,625	4,462	6,902	5,523
Total						

Canada	258,284	92,465	371,369	161,655	629,653	254,120
Total Acreage	2,606,946	872,347	2,164,994	917,688	4,771,940	1,790,035

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(1) Developed acres are acres spaced or assignable to productive wells.

(2) Undeveloped acreage is leased acreage on which wells have not been drilled or completed to a point that would permit the production of commercial quantities of natural gas and oil regardless of whether such acreage contains proved reserves. Of the aggregate 2,164,994 gross and 917,688 net undeveloped acres, 114,827 gross and 30,747 net acres are held by production from other leasehold acreage.

Substantially all the leases summarized in the preceding table will expire at the end of their respective primary terms unless the existing leases are renewed or production has been obtained from the acreage subject to the lease prior to that date, in which event the lease will remain in effect until the cessation of production. The following table sets forth the gross and net acres subject to leases summarized in the preceding table that will expire during the periods indicated:

	Acres Expiring	
	Gross	Net
Twelve Months Ending		
December 31, 2001	154,070	58,641
December 31, 2002	88,980	44,787
December 31, 2003	141,354	62,639
December 31, 2004	74,890	49,327
December 31, 2005 and later	1,705,700	702,294

Drilling Activity. The following table summarizes the number of development and exploratory wells drilled by the Company, including the cost-of-service wells drilled by Wexpro, during the years indicated.

	Year Ended December 31,					
	2000		1999		1998	
	Gross	Net	Gross	Net	Gross	Net
Development Wells						
United States						
Completed as natural gas wells	211	79.8	159	78.4	105	54.6
Completed as oil wells	9	1.4	5	2.4	29	1.0
Dry holes	12	5.0	15	6.1	12	3.7
Waiting on completion	36	-	29	-	13	-
Drilling	14	-	6	-	9	-
Canada						
Competed as natural gas wells	11	1.1	7	1.2	4	0.9
Completed as oil wells	8	2.3	5	1.9	12	4.0
Dry holes	2	1.1	2	1.3	4	1.2
Waiting on completion	2	-	2	-	2	-
Drilling	1	-	-	-	1	-
Total Development Wells	306	90.7	230	91.3	191	65.4
Exploratory Wells						
United States						
Completed as natural gas wells	-	-	1	0.2	5	1.6
Completed as oil wells	-	-	-	-	1	6
Dry holes	5	2.0	2	1.1	4	1.4
Waiting on completion	-	-	1	-	-	-
Drilling	1	-	1	-	-	-
Canada						
Competed as natural gas wells	1	.2	-	-	-	-
Completed as oil wells	1	.2	-	-	1	.3
Dry holes	2	.9	-	-	3	1.4
Waiting on completion	-	-	-	-	-	-
Total Exploratory Wells	10	3.3	5	1.3	14	5.3

Total Wells	316	94.0	235	92.6	205	70.7

Operation of Properties. The day-to-day operations of oil and gas properties are the responsibility of an operator designated under pooling or operating agreements. The operator supervises production, maintains production records, employs field personnel and performs other functions. The charges under operating agreements customarily vary with the depth and location of the well being operated.

QMR is the operator of approximately 50 percent of its wells. As operator, QMR receives reimbursement for direct expenses incurred in the performance of its duties as well as monthly per-well producing and drilling overhead reimbursement at rates customarily charged in the area to or by unaffiliated third parties. In presenting its financial data, QMR records the monthly overhead reimbursement as a reduction of general and administrative expense, which is a common industry practice.

Title to Properties. Title to properties is subject to royalty, overriding royalty, carried, net profits, working and other similar interests and contractual arrangements customary in the oil and gas industry, liens for current taxes not yet due and, in some instances, to other encumbrances. The Company believes that such burdens do not materially detract from the value of such properties or from the respective interests therein or materially interfere with their use in the operation of the business.

As is customary in the industry in the case of undeveloped properties, little investigation of record title is made at the time of acquisition (other than a preliminary review of local records). Investigations, generally including a title opinion of outside counsel, are made prior to the consummation of an acquisition of producing properties and before commencement of drilling operations on undeveloped properties.

Pinedale. Both Questar E&P and Wexpro are involved in Pinedale drilling. During 2000, Questar E&P and Wexpro drilled nine wells and completed six of them in the Pinedale Anticline area of Sublette County, Wyoming. (Three of the wells will not be completed until June of 2001 when winter drilling restrictions are lifted.) Drilling results and initial production tests

confirmed reserve expectations of 5-6 Bcf per well. As of December 31, 2000, gross daily production from 14 Company-owned wells was estimated at 26 MMcf and 45 Bbl of oil.

Questar E&P and Wexpro expect to continue drilling activities in Pinedale when government restrictions permit. On a combined basis, they have an approximate 60 percent average working interest in 14,800 acres in the Mesa Area of the Pinedale Anticline and expect to drill between 135-150 wells based on 80-acre spacing.

QMR's activities in Pinedale illustrate its long-term approach. Wexpro held the leasehold acreage by production as a result of three wells drilled in the area during the mid-1970's. Since the gas reserves are contained in tight sands with a low porosity, Questar E&P and Wexpro did not drill additional wells in the Pinedale area until other companies developed new stimulation techniques that fractured sandstone formations at multiple intervals and successfully used such techniques to drill wells in neighboring fields. The Pinedale wells cost an average of $2.2 million to drill and complete; this cost reflects the completion depth of the wells (12,848 to 13,300 feet), the need for special handling and multiple stimulations, and government regulations that impose pad limitations and restrict drilling. Current production profiles suggest that the average well may produce on a long-term basis after stabilizing between 2 and 4 MMcf per day within the first year or two after completion. Questar E&P and Wexpro expect to continue drilling in the Pinedale area during the next several years.

ITEM 3. LEGAL PROCEEDINGS.

There are various legal proceedings pending against QMR. Significant cases are discussed below.

BRIDENSTINE. On January 4, 2001, a district court judge in Oklahoma approved the settlement agreement in Bridenstine v. Kaiser-Francis Oil Company, a class action lawsuit that was originally filed against Questar E&P, other named affiliates including Questar and QMR, and unrelated defendants in 1995. Pursuant to the terms of the settlement, Questar E&P and Union Pacific Resources Company (predecessor in interest to Questar E&P) paid $22.5 million, with Questar E&P's portion being $16.5 million. Although the Questar defendants disputed claims that centered on allegations of an excessive and improper transportation charged against royalty payments, they settled the lawsuit to avoid continued legal costs and the uncertainty of a jury verdict.

GRYNBERG. Questar affiliates, including Questar E&P are named defendants in a lawsuit filed by an independent producer (Grynberg) under the Federal False Claims Act. This case and the 75 substantially similar cases filed by Grynberg against pipelines and their affiliates have been consolidated for discovery and pre-trial motions in Wyoming's federal district court. The cases involve allegations of industry-wide mismeasurement and undervaluation of gas volumes on which royalty payments are due the federal government. The complaint seeks treble damages and imposition of civil penalties. The federal district judge has not ruled on the defendants' motion to dismiss.

On March 8, 2001, the trial court judge granted a motion to dismiss the lawsuit filed by Grynberg against several Questar defendants including Questar Gas Management, Questar Energy Trading and Questar Pipeline. This case, which was filed in a Utah state district court, claims that the Questar defendants mismeasured gas volumes attributable to Mr. Grynberg's working interest in a specified property in southwestern Wyoming. The plaintiff's allegations included breach of contract, negligent misrepresentation, fraud, breach of fiduciary duty, etc. The judge dismissed the lawsuit based on defendants' arguments that the applicable statute of limitation had expired and there was no basis to support fraudulent concealment claims, or independent tort claims.

QUINQUE. Questar E&P, Questar Gas Management, Wexpro and other Questar affiliates are among the 220 named defendants in Quinque Operating Company v. Gas Pipelines, which was recently transferred from the Wyoming federal district court where it had been consolidated with the Grynberg cases to the Kansas state court where it had been originally filed. This case is very similar to the cases filed by Mr. Grynberg against the pipeline industry, but the allegations of systematic mismeasurement of natural gas volumes and resulting underpayment of royalties are made on behalf of private and state lessors, rather than on behalf of the federal government.

Royalty class actions are being asserted in numerous states, including Wyoming, against other companies in the oil and gas production and marketing businesses in which QMR's subsidiaries participate. Similar actions could be filed against the Company.

There are various other legal proceedings against subsidiaries of QMR. While it is not currently possible to predict or determine the outcome of these proceedings, it is the opinion of management that the outcome will not have a materially adverse effect on the Company's results of operations, financial position or liquidity.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

The Company did not submit any matters to a vote of its stockholder during the last quarter of 2000.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS.

All of the Company's outstanding shares of common stock, $1.00 par value, are owned by Questar. Information concerning the dividends paid on such stock and the ability to pay dividends is reported in the Statements of Common Shareholder's Equity and the Notes to Financial Statements included in Item 14 of this Report.

ITEM 6. SELECTED FINANCIAL DATA.

The Company, as the wholly-owned subsidiary of a reporting company under the Securities and Exchange Act of 1934 (the "Act"), is entitled to omit the information requested in this Item.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

RESULTS OF OPERATIONS

QUESTAR MARKET RESOURCES ("QMR" or "Market Resources" or the "Company") conducts exploration and production, gas development, gathering, processing and marketing activities. Following is a summary of financial results and operating information.

	Year Ended December 31, 2000	1999	1998
	(In Thousands)		
OPERATING INCOME			
Revenues			
Natural gas sales	$ 193,359	$ 125,245	$ 98,767
Oil and natural gas liquids sales	59,901	41,521	36,722
Cost-of-service gas operations	74,492	61,705	61,448
Energy marketing	379,760	243,296	234,565
Gas gathering and processing	29,278	22,341	21,954
Other	5,263	4,203	4,816
Total revenues	742,053	498,311	458,272
Operating expenses			
Energy purchases	369,752	239,201	230,462
Operating and maintenance	106,703	79,916	73,763
Depreciation and amortization	84,475	78,608	71,377
Write-down of full cost oil and gas properties			31,000
Other taxes	36,262	21,516	24,988
Wexpro settlement agreement - oil income sharing	4,758	2,292	1,053
Total operating expenses	601,950	421,533	432,643
Operating income	$ 140,103	$ 76,778	$ 25,629
OPERATING STATISTICS			
Production volumes			
Natural gas (in MMcf)	68,963	62,712	51,309
Oil and natural gas liquids (in Mbbl)			
Questar Exploration & Production	2,225	2,311	2,340
Wexpro	521	555	554
Production revenue			
Natural gas (per Mcf)	$ 2.80	$ 2.00	$ 1.92
Oil and natural gas liquids (per bbl)			
Questar Exploration & Production	$ 20.50	$ 13.92	$ 12.70
Wexpro	$ 27.43	$ 16.84	$ 12.64
Wexpro investment base, net of deferred income taxes (in millions)	$ 124.8	$ 108.9	$ 97.6
Energy-marketing volumes (in thousands of equivalent dth)	105,632	112,982	113,513
Natural gas-gathering volumes (in Mdth)			
For unaffiliated customers	92,969	84,961	72,908
For Questar Gas	36,791	32,050	29,893
For other affiliated customers	25,068	19,659	17,720
Total gathering	154,828	136,670	120,521
Gathering revenue (per dth)	$ 0.13	$ 0.15	$ 0.16

Revenues

Revenues were 49% higher in 2000 when compared with 1999 because of higher prices for natural gas, oil and NGL and increased natural gas production. Natural gas production rose 10% to 69 Bcf and the average selling price increased 40%. U. S. gas production increased 3% to 61.7 Bcf, while Canadian production rose 152% to 7.3 Bcf. Questar acquired Canadian reserves and producing properties in January 2000. Approximately 53% of gas production in 2000 was hedged at an average price of $2.16 per Mcf, net to the well. Hedging activities reduced revenues from gas sales by $33.7 million in 2000, but had an insignificant impact in 1999 and 1998.

Selling prices of oil and NGL for nonregulated operations increased 47% to a combined average of $20.50 per barrel and more than offset a 4% decrease in production volumes. Approximately 73% of the nonregulated oil production was hedged at an average price of $17.36 per barrel. Hedging activities reduced revenues from oil sales by $15.5 million in 2000, but had an insignificant impact in 1999 and 1998. Production declined in 2000 as a result of selling nonstrategic properties in the fourth quarter of 1999.

For 2001, Questar has used swaps, costless collars and fixed price contracts to hedge approximately 55% of estimated gas production based on December 2000 reserves. The average hedged price is $2.90 per Mcf (net to the well) assuming floor prices on collars. The average hedged price increases to $3.15 per Mcf (net to the well) if collar ceiling prices are assumed. Approximately 62% of 2001 estimated oil production, based on December 2000 reserves, is hedged at an average price of $17.20 per barrel, net to the well. Quantities of hedged production in any given month range between 49% and 66% for gas and 56% and 70% for oil.

Revenues from cost-of-service operations were 21% higher in 2000 compared with 1999. Wexpro manages and develops oil and natural gas properties on behalf of Questar Gas and receives a return on its investment in successful wells. The natural gas production is delivered to Questar Gas at cost of service. Oil is sold at market prices. Any net income from oil sales remaining after recovery of expenses and Wexpro's return on investment is divided between Wexpro and Questar Gas. Questar Gas's portion is reported as oil-income sharing. Wexpro's investment base, net of deferred income taxes, grew 15% in 2000 when compared with 1999. The average return on investment was 19.5% in 2000 and 20% in 1999.

Higher energy prices were responsible for substantial increases in revenues for energy marketing and improved plant-processing margins. Increased gas demand led to higher volumes of gas gathering.

Revenues in 1999 improved 9% compared with 1998 as a result of increased prices for gas, oil and NGL and a 22% rise in gas production. Natural gas selling prices averaged 4% higher in 1999.

Operating Expenses

Operating and maintenance expenses were 34% higher in 2000 primarily due to an increase in the number of gas and oil properties and increased legal costs in the settlement of a major case. Depreciation and amortization expense increased 7% in 2000 due largely to a 10% improvement in natural gas production. The combined U.S. and Canadian full-cost amortization rate was $.79 per thousand cubic feet equivalent (Mcfe) for 2000, down from $.80 per Mcfe in 1999. Other taxes, primarily production related, rose 69% in 2000 driven by higher revenues and prices.

Interest and other income

Interest and other income was higher in 2000 due to a $3.9 million pre-tax gain from selling securities available for sale, recording capitalized financing costs associated with an underground storage project of $1.9 million and $1.4 million of interest earned on qualifying hedging collateral. Sales of securities available for sale generated a $.4 million pre-tax gain in 1999.

Debt expense

Interest expense increased due to higher short- and long-term borrowing and to higher interest rates in 2000.

Income taxes

The effective combined federal, state and foreign income tax rate was 34.9% in 2000 and 28.8% in 1999. Income tax rates were below the combined statutory rate of about 40% primarily due to nonconventional fuel credits, which amounted to $4.7 million in 2000, $5.3 million in 1999 and $5.7 million in 1998.

Nonregulated Gas and Oil Reserves

Market Resources achieved a 261% reserve replacement ratio in 2000 compared with 131% in 1999. Reserve additions, revisions and purchases, net of sales in place, amounted to 214.8 Bcfe in 2000, more than double the 100.1 Bcfe added in 1999. Gains in reserves occurred through drilling results in the Pinedale Anticline and the acquisition of 61.1 Bcfe of proved reserves in Canada. In January 2001, Market Resources closed on the sale of 290 producing properties and a gas gathering system in the Mid-continent for $27 million with an effective sale date of November 2000. The properties produced approximately 4.3 MMcf of gas and 180 barrels of oil per day, but were not compatible with the long-term strategic plans of the Company. In the fourth quarter of 1999, Market Resources sold producing properties, mostly in the Permian Basin and Kansas, with combined daily production of 4.3 MMcf of gas and 1,100 barrels of oil.

Market Resources achieved a five-year average finding cost of $.86 per Mcfe, excluding cost-of-service operations, in 2000 compared with $.90 per Mcfe in 1999.

LIQUIDITY AND CAPITAL RESOURCES

Operating Activities

	Year Ended December 31,		
	2000	1999	1998
	(In Thousands)		
Net income	$85,042	$45,866	$16,162
Adjustments to net income	108,758	90,077	99,543
Changes in operating assets and liabilities	(54,680)	4,914	11,808
Net cash provided from operating activities	$139,120	$140,857	$127,513

Net cash provided from operating activities decreased 1% in 2000 when compared with 1999 due to timing differences in accounts receivable more than offsetting an 85% increase in net income. The balances in accounts receivable and qualifying hedging accounts increased as a result of higher energy prices. This was partially offset by increases in accounts payable caused by higher energy prices. The asset write-down in 1998 and the effect on deferred income taxes were noncash transactions.

Investing Activities

Capital expenditures in 2000 primarily reflected exploration for and development of gas and oil reserves and a purchase of a Canadian company with 61.1 Bcfe of proved reserves. Market Resources participated in drilling 316 wells (94 net wells) in 2000 that resulted in 223 gas wells, 18 oil wells, 21 dry holes and 54 wells in progress at year end. The success rate was 92%. The details of capital expenditures for 2000, 1999 and a forecast of 2001 were as follows:

	Year Ended December 31,		
	2001 Forecast	2000	1999
	(In Thousands)		
Exploratory drilling	$8,700	$752	$1,538
Development drilling	76,000	97,361	64,642
Other exploration	10,700	8,647	19,464
Reserve acquisitions	32,000	65,130	3,704
Production	5,100	8,382	8,746
Gathering and processing	28,000	3,330	12,705
Electric generation	25,000		
Storage	7,100	11,513	4,108
General	1,500	855	19,362
	$194,100	$195,970	$134,269

Financing Activities

Approximately 80% of the net cash used in investing activities was supplied by net cash flow provided from operating activities. Proceeds from short-term borrowing and cash released from an escrow account provide the remaining sources of funding in 2000. Proceeds from a 1999 sale of nonstrategic gas and oil properties were placed in an escrow account pending a possible reinvestment in other producing properties. When this did not occur, the funds were released from escrow. A sale with similar conditions and amounting to $27 million was finalized in January 2001.

In the third quarter of 2000, Market Resources initiated an unrated commercial-paper program with a $100 million capacity. Commercial-paper borrowings are limited to and supported by available capacity on Market Resources' existing revolving credit facility. Market Resources had a commercial-paper balance of $12.5 million at December 31, 2000.

On March 6, 2001, Market Resources issued in a public offering $150 million of 7.5% notes due 2011. Market Resources applied the proceeds of the debt offering to repay a portion of its outstanding floating-rate debt. In 1999, Market Resources entered into a long-term revolving-credit facility with a syndication of banks and a $300 million capacity. Market Resources had borrowed $244.4 million as of December 31, 2000 under this arrangement.

QMR's consolidated capital structure consisted of 35% long-term debt and 65% common shareholder's equity at December 31, 2000. The Company's long-term debt has been rated BBB+ by Standard and Poor's and Baa2 by Moody's.

ITEM 7A. 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 long-term interest rates. The Company has an investment in a foreign operation that may subject it to exchange-rate risk. QMR also has reserved pipeline capacity for which it is obligated to pay $3 million annually for the next six years, regardless of whether it is able to market the capacity to others.

Hedging Policy

The Company has established policies and procedures for managing market risks through the use of commodity-based derivative arrangements. A primary objective of these hedging transactions is to protect the Company's commodity sales from adverse changes in energy prices. 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 Board of Directors. Additionally, under the terms of the Market Resources' 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

Energy-price risk is a function of changes in commodity prices as supply and demand fluctuate. Market Resources bears a majority of the risk associated with changes in commodity prices. The Company uses hedge 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.

Market Resources held hedge contracts covering the price exposure for about 50.5 million dth of gas and 1 million barrels of oil at December 31, 2000. A year earlier the contracts covered 72.1 million dth of natural gas and 2.4 million barrels of oil. The hedging contracts exist for a significant share of Questar-owned gas and oil production and for a portion of gas-marketing transactions. The contracts at December 31, 2000, had terms extending through December 2003, with about 91% of those contracts expiring by the end of 2001.

The financial mark-to-market adjustment of gas and oil price-hedging contracts at December 31, 2000 was a negative $98 million and represented a liability owed to counterparties if terminated. A 10% decline in gas and oil prices would decrease the mark-to-market adjustment by $18.1 million; while a 10% increase in prices would increase the mark-to-market adjustment by $18.1 million. The mark-to-market adjustment of gas and oil price-hedging contracts at December 31, 1999 was a negative $6.2 million. A 10% decline in gas and oil prices at that time would have caused a positive mark-to-market adjustment of $16.7 million. Conversely, a 10% increase in prices would have resulted in a $16.3 million negative mark-to-market adjustment. The calculations used energy prices posted on the NYMEX, various "into the pipe" postings and fixed prices for the indicated measurement 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.

Interest-Rate Risk Management

The Company held floating-rate long-term debt at December 31, 2000 and 1999 of $244.4 million and $264.9 million, respectively. The book value of variable-rate debt approximates fair value. If interest rates declined by 10%, interest costs paid on variable-rate long-term debt would decrease about $1.7 million in 2000 and 1999.

Securities Available for Sale

Securities available for sale represent equity instruments traded on national exchanges. The value of these investments is subject to day to day market volatility.

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 $54.4 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, 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, quoted prices of securities available for sale, the weather and other natural phenomena, the effect of accounting policies issued periodically by accounting standard-setting bodies, and adverse changes in the business or financial condition of the Company.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.

The Company's financial statements are included in Part IV, Item 14, herein.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.

QMR has not changed its independent auditors or had any disagreements with them concerning accounting matters and financial statement disclosures within the last 24 months.

PART III

The Company, as the wholly-owned subsidiary of a reporting company under the Act, is entitled to omit all information requested in PART III (Items 10-13).

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES, AND REPORTS ON FORM 8-K.

(a)(1)(2) Financial Statements and Financial Statement Schedules. The financial statements identified in the List of Financial Statements are filed as part of this Report.

(3) Exhibits. The following is a list of exhibits required to be filed as a part of this Report in Item 14(c).

Exhibit No.	Description
3.1.*	Articles of Incorporation dated April 27, 1988 for Utah Entrada Industries, Inc. (Exhibit No. 3.1. to the Company's Form 10 dated April 12, 2000.)
3.2.*	Articles of Merger, dated May 20, 1988, of Entrada Industries, Inc., a Delaware corporation and Utah Entrada Industries, Inc, a Utah corporation. (Exhibit No. 3.2. to the Company's Form 10 dated April 12, 2000.)
3.3.*	Articles of Amendment dated August 31, 1998, changing the name of Entrada Industries, Inc. to Questar Market Resources, Inc. (Exhibit No. 3.3. to the Company's Form 10 dated April 12, 2000.)
3.4.*	Bylaws (as amended effective February 8, 2000.) (Exhibit No. 3.4. to the Company's Form 10 dated April 12, 2000.)
4.1.*	Indenture dated as of March 1, 2001, between the Questar Market Resources, Inc. and Bank One, NA, as Trustee for the Company's 71/2% Notes due 2011. (Exhibit No. 4.01. to the Company's Current Report on Form 8-K dated March 6, 2001.)
4.2.*	Form of 71/2% Notes due 2011. (Exhibit No. 4.02. to the Company's Current Report on Form 8-K dated March 6, 2001.)
4.3.	U.S. Credit Agreement, dated April 19, 1999, by and among Questar Market Resources, Inc., as U.S. borrower, NationsBank, N.A., as U.S. agent, and certain financial institutions, as lenders, with the First Amendment dated May 17, 1999, the Second Amendment dated July 30, 1999, the Third Amendment dated November 30, 1999, the Fourth Amendment dated April 17, 2000, the Fifth Amendment dated October 6, 2000, and the Sixth Amendment dated February 9, 2001. (Exhibit No. 4.1. to the Company's Form 10 dated April 12, 2000, for the U. S. Credit Agreement, and the First, Second and Third Amendments; Exhibit No. 4.1. to the Company's Form 10/A dated November 9, 2000, for the Fourth and Fifth Amendments.) The Sixth Amendment is filed with this Report.1
4.4.	Long-term debt instruments with principal amounts not exceeding 10 percent of QMR's total consolidated assets are not filed as exhibits. The Company will furnish a copy of these agreements to the Commission upon request.
10.1.*	Stipulation and Agreement, dated October 14, 1981, executed by Mountain Fuel Supply Company [Questar Gas Company]; Wexpro Company; the Utah Department of

Business Regulations, Division of Public Utilities; the Utah Committee of Consumer Services; and the staff of the Public Service Commission of Wyoming. (Exhibit No. 10(a) to Questar Gas Company's Form 10-K Annual Report for 1981.)

21. Subsidiary Information.

24. Power of Attorney

*Exhibits so marked have been filed with the Securities and Exchange Commission as part of the referenced filing and are incorporated herein by reference.

(b) The Company filed two Current Reports on Form 8-K during the last quarter of 2000. The first report was dated November 21, 2000, and disclosed the settlement agreement in Bridenstine v. Kaiser-Francis Oil Company. The second report was dated December 7, 2000, and contained a press release on the results of drilling at the Pinedale Anticline area. Neither report included any financial statements.

ANNUAL REPORT ON FORM 10-K

ITEM 8, ITEM 14(a) (1) and (2), and (d)

LIST OF FINANCIAL STATEMENTS

FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

YEAR ENDED DECEMBER 31, 2000

QUESTAR MARKET RESOURCES, INC.

SALT LAKE CITY, UTAH

FORM 10-K -- ITEM 14 (a) (1) AND (2)

QUESTAR MARKET RESOURCES, INC.

LIST OF FINANCIAL STATEMENTS AND
FINANCIAL STATEMENT SCHEDULES

The following financial statements of Questar Market Resources Inc. are included in Item 8:

Statements of income, Years ended December 31, 2000, 1999 and 1998

Balance sheets, December 31, 2000 and 1999

Statements of common shareholder's equity, Years ended December 31, 2000, 1999 and 1998

Statements of cash flows, Years ended December 31, 2000, 1999 and 1998

Notes to financial statements

Financial statement schedules, for which provision is made in the applicable accounting regulations of the Securities and Exchange Commission, are not required under the related instructions or are inapplicable, and therefore have been omitted.

Report of Independent Auditors

Board of Directors
Questar Market Resources, Inc.

We have audited the accompanying balance sheets of Questar Market Resources, Inc. as of December 31, 2000 and 1999, and the related statements of income and common shareholder's equity and cash flows for each of the three years in the period ended December 31, 2000.

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Questar Market Resources, Inc. at December 31, 2000 and 1999, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2000, in conformity with accounting principles generally accepted in the United States.

/s/ Ernst & Young

Ernst & Young

Salt Lake City, Utah
March 6, 2001

QUESTAR MARKET RESOURCES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME

	Year Ended December 31,		
	2000	1999	1998
	(In Thousands)		
REVENUES			
From unaffiliated customers	$649,200	$418,603	$382,791
From affiliates	92,853	79,708	75,481
TOTAL REVENUES	742,053	498,311	458,272
OPERATING EXPENSES			
Cost of natural gas and other products sold	369,752	239,201	230,462
Operating and maintenance	106,703	79,916	73,763
Depreciation and amortization	84,475	78,608	71,377
Write-down of full cost oil and gas properties			31,000
Other taxes	36,262	21,516	24,988
Wexpro settlement agreement - oil income sharing	4,758	2,292	1,053
TOTAL OPERATING EXPENSES	601,950	421,533	432,643
OPERATING INCOME	140,103	76,778	25,629
INTEREST AND OTHER INCOME	10,631	4,272	3,638
INCOME (LOSS) FROM UNCONSOLIDATED AFFILIATES	2,776	763	(930)
DEBT EXPENSE	(22,922)	(17,363)	(12,631)
INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	130,588	64,450	15,706
INCOME TAX EXPENSE (CREDIT)	45,546	18,584	(1,019)
INCOME FROM CONTINUING OPERATIONS	85,042	45,866	16,725
DISCONTINUED OPERATIONS, net of income taxes of $347			(563)
NET INCOME	$85,042	$45,866	$16,162

See notes to financial statements.

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

December 31,

	2000	1999
	(In Thousands)	
CURRENT ASSETS		
Cash and cash equivalents	$ 3,980	
Notes receivable from Questar Corporation		$ 4,000
Accounts receivable, net of allowance of $1,775 in 2000 and $1,350 in 1999	126,030	64,364
Accounts receivable from affiliates	17,427	11,459
Qualifying hedging collateral	48,377	
Federal income taxes recoverable	4,976	
Inventories, at lower of average cost or market		
Gas and oil storage	7,618	8,863
Material and supplies	2,298	2,390
Prepaid expenses and other	4,828	4,452
TOTAL CURRENT ASSETS	215,534	95,528
PROPERTY, PLANT AND EQUIPMENT		
Oil and gas properties - full cost accounting		
Proved properties	1,082,009	943,349
Unproved properties, not being amortized	76,216	69,777
Support equipment and facilities	13,179	13,408
Cost-of-service oil and gas operations - successful efforts accounting	348,403	318,451
Gathering, processing and marketing	137,484	124,691
	1,657,291	1,469,676
Less allowances for depreciation and amortization		
Oil and gas properties - full cost accounting	601,620	544,491
Cost-of-service oil and gas operations - successful efforts accounting	193,029	180,867
Gathering, processing and marketing	58,388	53,337
	853,037	778,695
NET PROPERTY, PLANT AND EQUIPMENT	804,254	690,981
INVESTMENT IN UNCONSOLIDATED AFFILIATES	15,417	13,301
OTHER ASSETS		
Cash held in escrow account	5,387	36,727
Securities available for sale		10,402
Other	4,344	952
	9,731	48,081
	$1,044,936	$ 847,891

LIABILITIES AND SHAREHOLDER'S EQUITY

	2000	1999
	(In Thousands)	
CURRENT LIABILITIES		
Checks outstanding in excess of cash balances		$ 1,246
Short-term loans	$ 12,500	
Notes payable to Questar	51,000	24,500
Accounts payable and accrued expenses		
Accounts and other payables	140,254	67,385
Accounts payable to affiliates	3,761	2,952
Federal income taxes		6,232
Other taxes	19,359	14,266
Interest	951	1,443
Total accounts payable and accrued expenses	164,325	92,278
TOTAL CURRENT LIABILITIES	227,825	118,024
LONG-TERM DEBT	244,377	264,894
DEFERRED INCOME TAXES	96,459	59,936
OTHER LIABILITIES	13,847	14,674
MINORITY INTEREST	5,483	2,529
COMMITMENTS AND CONTINGENCIES		
SHAREHOLDER'S EQUITY		
Common stock - par value $1 per share; authorized, 25,000,000 shares; issued and outstanding, 4,309,427 shares	4,309	4,309

Additional paid-in capital	116,027	116,027
Retained earnings	338,130	270,388
Cumulative other comprehensive loss	(1,521)	(2,890)
	$1,044,936	$847,891

See notes to consolidated financial statements.

QUESTAR MARKET RESOURCES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF SHAREHOLDER'S EQUITY

	Common Stock	Additional Paid-in Capital	Retained Earnings	Other Comprehensive Income (loss)	Comprehensive Income
			(In Thousands)		
Balance at January 1, 1998	$4,309	$116,027	$238,955	$ (8)	
1998 net income			16,162		$16,162
Cash dividends			(15,900)		
Foreign currency translation adjustment, net of income taxes of $53				93	93
Balance at December 31, 1998	4,309	116,027	239,217	85	$16,255
1999 net income			45,866		45,866
Cash dividends			(16,600)		
Dividend of shares of Questar Energy Services			1,905		
Unrealized loss on securities available for sale, net of income taxes of $1,557				(2,515)	(2,515)
Foreign currency translation adjustment, net of income taxes of $284				(460)	(460)
Balance at December 31, 1999	4,309	116,027	270,388	(2,890)	$42,891
2000 net income			85,042		85,042
Cash dividends			(17,300)		
Unrealized gain on securities available for sale, net of income taxes of $1,557				2,515	2,515
Foreign currency translation adjustment, net of income taxes of $1,018				(1,146)	(1,146)
Balance at December 31, 2000	$4,309	$116,027	$338,130	$(1,521)	$86,411

See notes to financial statements.

QUESTAR MARKET RESOURCES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	2000	1999	1998
		(In Thousands)	
OPERATING ACTIVITIES			
Net income	$ 85,042	$ 45,866	$ 16,162
Adjustments to reconcile net income to net cash provided from operating activities			
Depreciation and amortization	85,085	81,150	71,951
Deferred income taxes	29,740	9,381	(4,619)
Write-down of oil and gas properties			31,000
(Income) loss from unconsolidated affiliates,net of cash distributions	(2,117)	(66)	1,211
Gain from sale of securities	(3,950)	(388)	
Changes in operating assets and liabilities			
Accounts receivable and qualifying hedging collateral	(112,757)	(2,631)	20,572

Inventories	1,337	(468)	(4,996)
Prepaid expenses and other	(423)	(83)	555
Accounts payable and accrued expenses	74,226	5,655	(7,002)
Federal income taxes	(11,207)	127	2,399
Other assets	(3,125)	(783)	(628)
Other liabilities	(2,731)	3,097	908
NET CASH PROVIDED FROM OPERATING ACTIVITIES	139,120	140,857	127,513
INVESTING ACTIVITIES			
Capital expenditures			
Purchase of property, plant and equipment	(195,970)	(109,405)	(252,671)
Other investments		(24,864)	(1,875)
	(195,970)	(134,269)	(254,546)
Proceeds from disposition of property, plant and equipment	3,014	38,629	7,857
Proceeds from sale of securities	18,424	1,214	
NET CASH USED IN INVESTING ACTIVITIES	(174,532)	(94,426)	(246,689)
FINANCING ACTIVITIES			
Decrease in notes receivable from Questar	4,000	21,100	8,400
Change in notes payable to Questar	26,500	(97,300)	77,500
Increase in short-term debt	12,500		
Change in cash in escrow	31,340	(36,727)	
Checks written in excess of cash balances	(1,246)	1,246	
Issuance of long-term debt	61,725	275,000	64,343
Payment of long-term debt	(80,087)	(195,000)	(14,283)
Other financing	2,955		
Payment of dividends	(17,300)	(16,600)	(15,900)
NET CASH PROVIDED FROM (USED IN) FINANCING ACTIVITIES	40,387	(48,281)	120,060
Foreign currency translation adjustments	(995)	(44)	(4)
Change in cash and cash equivalents	3,980	(1,894)	880
Beginning cash and cash equivalents		1,894	1,014
ENDING CASH AND CASH EQUIVALENTS	$ 3,980	$ -	$ 1,894

See notes to consolidated financial statements.

QUESTAR MARKET RESOURCES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1 - Summary of Accounting Policies

Principles of Consolidation: The consolidated financial statements contain the accounts of Questar Market Resources, Inc. and subsidiaries (the "Company" or "QMR" or "Market Resources"). The Company is a wholly-owned subsidiary of Questar Corporation ("Questar"). QMR, through its subsidiaries, conducts gas and oil exploration, development and production, gas gathering and processing, and wholesale energy marketing. Questar Exploration and Production ("Questar E & P"), conducts exploration, development and production activities. Wexpro Company ("Wexpro") operates and develops producing properties on behalf of Questar Gas. Questar Gas Management conducts gas gathering and plant processing activities. Questar Energy Trading performs wholesale energy marketing activities and through a 75% interest in Clear Creek Storage Company, LLC, operates a gas-storage field. All significant intercompany balances and transactions have been eliminated in consolidation.

Investments in Unconsolidated Affiliates: QMR uses the equity method to account for investment in affiliates in which it does not have control. The Company owns a 15% interest in Canyon Creek Compression Co., a 50% interest in Blacks Fork Gas Processing Co. and a 15% interest in Roden Participants, Ltd. Generally, its investment in these affiliates equals the underlying equity in net assets.

Use of Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts of assets and liabilities and disclosure of contingent liabilities reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Revenue Recognition: Revenues are recognized in the period that services are provided or products are delivered. The Company uses the sales method of accounting for gas revenues, whereby revenue is recognized on all gas sold to purchasers. A liability is recorded to the extent that the Company has an imbalance in excess of its share of remaining reserves in an underlying property. The Company's net gas imbalances at December 31, 2000, 1999 and 1998 were not significant.

Wexpro Settlement Agreement - Oil Income Sharing: Wexpro settlement agreement-oil income sharing represents payments made to Questar Gas for its share of the income from oil and NGL products associated with cost of service oil properties pursuant to the terms of the Wexpro settlement agreement (Note 8).

Regulation of Underground Storage: Clear Creek Storage Company, LLC operates an underground gas storage facility that is regulated by the Federal Energy Regulatory Commission (FERC). The FERC establishes rates for the storage of natural gas, and regulates the extension and enlargement or abandonment of jurisdictional natural gas facilities. Regulation is intended to permit the recovery, through rates, of the cost of service, including a return on investment.

Cash and Cash Equivalents: Cash equivalents consist principally of repurchase agreements with maturities of three months or less. In almost all cases, the repurchase agreements are highly liquid investments in overnight securities made through our commercial bank accounts that result in available funds the next business day.

Notes Receivable from Questar: Notes receivable from Questar represent interest bearing demand notes for cash loaned to Questar until needed in the Company's operations. The funds are centrally managed by Questar and earn an interest rate that is identical to the interest rate paid by the Company for borrowings from Questar.

Property, Plant and Equipment: Property, plant and equipment is stated at cost. The Company uses the full-cost accounting method for a majority of its gas and oil exploration and development activities. However, as ordered by the PSCU, the successful efforts method of accounting is utilized with respect to costs associated with certain "cost of service" oil

and gas properties managed and developed by Wexpro and regulated for ratemaking purposes. Cost of service oil and gas properties are those properties for which the operations and return on investment are regulated by the Wexpro settlement agreement (see Note 8). In accordance with the settlement agreement, production from the gas properties operated by Wexpro is delivered to Questar Gas at Wexpro's cost of providing this service. That cost includes a return on Wexpro's investment. Oil produced from the cost of service properties is sold at market prices. Proceeds are credited, pursuant to the terms of the settlement agreement, allowing Questar Gas to share in the proceeds for the purpose of reducing natural gas rates.

Full cost accounting

Under the full cost method, all costs associated with the acquisition, exploration and development of oil and gas reserves, including certain directly related internal employee costs, are capitalized. Such amounts include the cost of drilling and equipping productive wells, dry hole costs, lease acquisition costs, delay rentals, and costs related to such activities. The internal costs capitalized are directly attributable to acquisition, exploration, and development activities and do not include costs related to production, general corporate overhead or similar activities. Exclusive of field-level costs, the Company capitalized $3.6 million, $3.0 million and $2.6 million of internal costs in 2000, 1999 and 1998, respectively. Costs associated with production and general corporate activities are expensed in the period incurred. Sales of oil and gas properties, whether or not being amortized currently, are accounted for as adjustments of capitalized costs, with no gain or loss recognized, unless such adjustments would significantly alter the relationship between capitalized costs and proved reserves.

The Company limits, on a country-by-country cost-center basis, the capitalized costs of oil and gas properties, net of accumulated amortization and related deferred taxes, to the full-cost ceiling. The full-cost ceiling comprises the present value of estimated future net revenues from proved oil and gas reserves plus the cost of unproved properties not being amortized, all adjusted for the effect of related income taxes. The present value calculation is based upon current economic and operating conditions and estimated future development expenditures, discounted at 10%. If capitalized costs exceed the full-cost ceiling, the excess is expensed. In 1998, the Company recorded a $31 million write-down of oil and gas properties pursuant to the ceiling limitation required by the full-cost accounting method.

Capitalized costs are amortized, on a country-by-country cost-center basis, by an energy equivalent unit-of-production method based upon production and estimates of proved gas and oil reserves. The Company presently has two cost centers: the United States and Canada. Amortizable costs include developmental drilling in progress as well as estimates of future development costs of proved reserves, but exclude the costs of certain unproved gas and oil properties until the properties are evaluated. The estimated costs of future site restoration, dismantlement, and abandonment of producing properties are expected to be offset by the estimated salvage value of the lease and well equipment.

The aggregate costs of unproved properties not being amortized are assessed at least annually for possible impairments or reduction in value. Significant properties are assessed individually. If a reduction in value has occurred, costs being amortized are increased. Of the $76.2 million of net unproved property costs at December 31, 2000, excluded from the amortizable base, $22.9 million, $10.4 million, and $20.5 million were incurred in 2000, 1999 and 1998, respectively. Based on anticipated future exploration and development activities, the Company expects the majority of the costs of unproved properties currently excluded to be evaluated and included in the amortization calculation within the next five years.

Successful efforts accounting

The Company uses the successful efforts method of accounting for costs associated with the development of cost-of-service oil and gas properties. The cost to drill and equip development wells, successful or unsuccessful, and construct related facilities are capitalized. Geological and geophysical costs are expensed as incurred.

Capitalized costs are amortized on an individual field basis using the unit-of-production method based upon proved developed oil and gas reserves attributable to the field. Costs of future site restoration, dismantlement, and abandonment for producing properties are accrued as part of depreciation and amortization expense for tangible equipment by assuming no salvage value in the calculation of the unit of production rate.

Gathering, processing and marketing

The investments in gathering facilities, processing plants and other general support property, plant and equipment are generally depreciated using the straight-line method based upon estimated useful lives ranging from 3 to 20 years.

SFAS 121

The Company follows the provisions of Statement of Financial Accounting Standards (SFAS) 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of" in evaluating impairment of the Company's cost of service oil and gas properties (accounted for under the successful efforts method) and its gathering, processing and other property, plant and equipment.

Depreciation and amortization

	2000	1999	1998
		(In Thousands)	
Depreciation and amortization expense			
Full-cost oil and gas properties	$64,619	$61,057	$55,015
Cost-of-service oil and gas properties	13,922	12,665	11,379
Gathering, processing and marketing	5,934	4,886	4,983
	$84,475	$78,608	$71,377

Average depreciation and amortization rates per Mcf equivalent for the 12 months ended December 31, were as follows:

Full-cost amortization rate			
U.S.	$ 0.78	$ 0.81	$ 0.83
Canada (in U.S. dollars)	0.85	0.65	1.04
Combined U.S. and Canada	0.79	0.80	0.85
Cost-of-service oil and gas properties	$ 0.44	$ 0.42	$ 0.39

Capitalized Interest and Allowance for Funds Used During Construction: The Company capitalizes interest costs, when applicable, related to gathering, processing, and marketing activities during the construction period of plant and equipment. Interest costs related to full cost oil and gas activities are expensed in the period incurred. Gross debt expense aggregated $22,922,000, $17,363,000, and $13,249,000, in 2000, 1999 and 1998, respectively. Debt expense was reduced by $618,000 of capitalized interest in 1998. Under provisions of the Wexpro settlement agreement, the Company capitalizes an allowance for funds used during construction (AFUDC) on cost-of-service construction projects. The FERC requires the capitalization of AFUDC during the construction period of plant and equipment. AFUDC amounted to $2,163,000, $357,000, and $745,000, in 2000, 1999, and 1998, respectively, and is included in Interest and Other Income in the Consolidated Statements of Income.

Foreign Currency Translation: The Company conducts gas and oil exploration and production in western Canada. The local currency is the functional currency of the Company's foreign operations. Translation from the functional currency to U. S. dollars is performed for balance sheet accounts using the exchange rate in effect at the balance-sheet date. Revenue and expense accounts are translated using an average exchange rate for the period. Adjustments resulting from such translations are reported as a separate component of other comprehensive income in shareholder's equity. Deferred income taxes have been provided on translation adjustments because the earnings are not considered to be permanently invested.

Market Risks: The Company's primary market-risk exposures arise from commodity price changes for natural gas and oil, changes in long-term interest rates, and foreign currency exchange rates.

Hedging Policy: The Company has established policies and procedures for managing market risks through the use of commodity-based derivative arrangements. A primary objective of these hedging transactions is to protect the Company's commodity sales from adverse changes in energy prices. 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 Board of Directors. Additionally, under the terms of the Company'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: Market Resources enters into swaps, futures contracts or options agreements to hedge exposure to price fluctuations in connection with marketing of the Company's natural gas and oil production, and to secure a known margin for the purchase and resale of gas, oil and electricity in marketing activities. It is expected that there is a high degree of correlation between the changes in market value of such contracts and the market price ultimately received on the hedged physical transactions. The timing of production and of the hedge contracts is closely matched. Hedge prices are established in the areas of Market Resources' production operations. The Company settles most contracts in cash and recognizes the gains and losses on hedge transactions during the same time period as the related physical transactions. Cash flows from the hedge contracts are reported in the same category as cash flows from the hedged assets. Contracts which do not have high correlation with the related physical transactions are marked-to-market and recognized in the current period income.

Interest Rate Risk Management: The Company borrows funds under variable interest rate arrangements. Variable-rate agreements expose the Company to market risk related to changes in interest rates.

Credit Risk: The Company's primary market areas are the Rocky Mountain regions of the United States and Canada and the Mid-continent region of the United States. Exposure to credit risk may be impacted by the concentration of customers in these regions due to changes in economic or other conditions. Customers include numerous industries that may be affected differently by changing conditions. Management believes that its credit-review procedures, loss reserves, customer deposits and collection procedures have adequately provided for usual and customary credit-related losses. Commodity-based hedging arrangements also expose the Company to credit risk. The Company monitors the creditworthiness of its counterparties, which generally are major financial institutions, and believes that losses from non-performance are unlikely to occur.

Income Taxes: The Company accounts for income tax expense on a separate return basis. Pursuant to the Internal Revenue Code and associated regulations, the Company's operations are consolidated with those of Questar and its subsidiaries for income tax reporting purposes. The Company records tax benefits as they are generated. The Company receives payments from Questar for such tax benefits as they are utilized on the consolidated return.

Comprehensive Income: Comprehensive income is the sum of net income as reported in the Consolidated Statement of Income and other comprehensive income transactions reported in the Consolidated Statement of Statements of Shareholder's Equity. Other comprehensive income transactions that currently apply to QMR result from changes in market value of securities available for sale and changes in holding value resulting from foreign currency translation adjustments. These transactions are not the culmination of the earnings process, but result from periodically adjusting historical balances to market value. Income or loss is realized when the securities available for sale are sold. The balance in accumulated foreign currency translation adjustments amounted to a negative $1,521,000 and a negative $375,000, at December 31, 2000 and 1999, respectively. The balance of an unrealized loss on securities available for sale was $2,515,000 at December 31, 1999. Income is realized when the securities available for sale are sold. Proceeds from sales of available for sale securities were $18.4 million and $1.2 million for the year ended December 31, 2000 and 1999, respectively. Income tax expenses associated with realized gains from selling securities available for sale were $1.5 million in 2000 and $.1 million in 1999. Beginning in 2001, other comprehensive income will include mark-to-market adjustments of the Company's qualified energy derivatives.

The balances of cumulative other comprehensive losses for the 12 months ended December 31, were as follows:

	2000	1999
	(In Thousands)	
Unrealized loss on securities		($2,515)
Foreign currency translation adjustment	($1,521)	(375)
Cumulative other comprehensive income	($1,521)	($2,890)

New Accounting Standard: The Company is required to adopt the accounting provisions of SFAS 133, as amended, "Accounting for Derivative Instruments and Hedging Activities" beginning in January 2001. SFAS 133 addresses the accounting for derivative instruments, including certain derivative instruments embedded in other contracts. Under the standard, entities are required to carry all derivative instruments in the balance sheet at fair value. The accounting for changes in fair value, which result in gains or losses, of a derivative instrument depends on whether such instrument has been designated and qualifies as part of a hedging relationship and, if so, depends on the reason for holding it. If certain conditions are met, entities may elect to designate a derivative instrument as a hedge of exposure to changes in fair value, cash flows or foreign currencies. If the hedged exposure is a fair-value exposure, the gain or loss on the derivative instrument is recognized in earnings in the period of the change together with the offsetting loss or gain on the hedged item attributable to the risk being hedged. If the hedged exposure is a cash-flow exposure, the effective portion of the gain or loss on the derivative instrument is reported initially as a component of other comprehensive income in the shareholders' equity section of the balance sheet and subsequently reclassified into earnings when the forecasted transaction affects earnings. Any amounts excluded from the assessment of hedge effectiveness, as well as the ineffective portion of the gain or loss, is reported in earnings immediately.

As of January 1, 2001, the Company structured a majority of its energy derivative instruments as cash flow hedges. As a result of adopting SFAS 133 in January 2001, the Company expects to record a liability for derivative instruments of approximately $121 million. The offset to this amount, net of income taxes, will be recorded as a loss in other comprehensive income in the shareholders' equity section of the balance sheet. The fair-value calculation does not consider changes in fair value of the corresponding scheduled equity physical transactions.

Acquisitions: On January 26, 2000, a subsidiary of QMR acquired 100% of the outstanding shares of Canor Energy Ltd from NI Canada ULC, a subsidiary of Northwest Natural Gas Co. for cash of $61 million (US) plus the assumption of $5.4 million of short-term debt. The transaction was accounted for as a purchase. Canor owns an interest in more than 800 wells located in Alberta, British Columbia and Saskatchewan provinces of Canada. Canor's proven gas and oil reserves at the time of purchase were estimated at 61.1 billion cubic feet equivalent.

Reclassifications: Certain reclassifications were made to the 1999 and 1998 financial statements to conform with the 2000 presentation.

Note 2 - Debt

QMR has a $300 million revolving credit facility agented by Bank of America. Borrowing under this agreement amounted to $244.4 million and $264.9 million at December 31, 2000 and 1999, respectively. The average interest rate as of December 31, was 7.01% in 2000 and 6.54% in 1999. The loan is segmented into United States and Canadian portions. The United States portion of the loan is a 5-year facility with $230 million available. The Canadian portion amounts to $70 million and is a 6-year facility. The interest rate is generally equal to LIBOR plus a premium. QMR's revolving credit facility contains covenants specifying a minimum amount of net equity and a maximum ratio of debt to equity. Under the most restrictive terms of the revolving credit facility, Market Resources could pay a dividend of $84.2 million.

Maturities of long-term debt for the five years following December 31, 2000, in thousands of dollars were as follows:

2001	$ -
2002	2,719
2003	12,719
2004	182,719
2005	2,719

Questar makes loans to QMR under a short-term borrowing arrangement. Short-term notes payable to Questar outstanding as of December 31, 2000 amounted to $51 million with an interest rate of 6.91% and $24.5 million as of December 31, 1999 with an interest rate of 6.61%.

On March 6, 2001, Market Resources issued in a public offering $150 million of 7.5% notes due 2011. Market Resources applied the proceeds of the debt offering to repay a portion of its outstanding floating-rate debt.

Cash paid for interest was $23,414,000 in 2000, $16,964,000 in 1999 and $13,229,000 in 1998.

Note 3 - Financial Instruments and Risk Management

The carrying amounts and estimated fair values of the Company's financial instruments were as follows:

	December 31, 2000		December 31, 1999	
	Carrying Value	Estimated Fair Value	Carrying Value	Estimated Fair Value
	(In Thousands)			
Financial assets				
Cash and cash equivalents	$3,980	$3,980		
Notes receivable from Questar			$4,000	$4,000
Financial liabilities				
Short-term loans	63,500	63,500	25,746	25,746
Long-term debt	244,377	244,377	264,894	264,894
Gas and oil price hedging contracts	-	(98,000)	-	(6,200)

The Company used the following methods and assumptions in estimating fair values: (1) Cash and cash equivalents, notes receivable and short-term loans - the carrying amount approximates fair value; (2) Long-term debt - the carrying amount of variable-rate debt approximates fair value; (3) Gas and oil price hedging contracts - the fair value of contracts is based on market prices as posted on the NYMEX from the last trading day of the year.

The average price of the oil contracts at December 31, 2000, was $18.30 per barrel and was based on the average of fixed amounts in contracts which settle against the NYMEX. All oil contracts relate to Company-owned production where basis adjustments would result in a net to the well price of $17.20 per barrel. The average price of the gas contracts at December 31, 2000 was $3.87 per MMBtu representing the average of contracts with different terms including fixed, various "into the pipe" postings and NYMEX references. Gas-hedging contracts were in place for Market Resources-owned production and gas-marketing transactions. Transportation and heat-value adjustments on the hedges of Company-owned gas as of December 31, 2000, would result in a price between $2.90 and $3.15 per Mcf, net back to the well.

Fair value is calculated at a point in time and does not represent the amount the Company would pay to retire the debt securities. In the case of gas and oil price-hedging activities, the fair value calculation does not consider the 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).

Energy-Price Risk Management

Market Resources held hedge contracts covering the price exposure for about 50.5 million dth of gas and 1 million barrels of oil at December 31, 2000. A year earlier the contracts covered 72.1 million dth of natural gas and 2.4 million barrels of oil. The hedging contracts exist for a significant share of Questar-owned gas and oil production and for a portion of gas-marketing transactions. The contracts at December 31, 2000, had terms extending through December 2003, with about 91% of those contracts expiring by the end of 2001. A primary objective of energy-price hedging is to protect product sales from adverse changes in energy prices. The Company does not enter into hedging contracts for speculative purposes.

Credit Risk.

The Company's primary market areas are the Rocky Mountain regions of the United States and Canada and the Mid-continent region of the United States. Exposure to credit risk may be impacted by the concentration of customers in these regions due to changes in economic or other conditions. Customers include individuals and numerous industries that may be affected differently by changing conditions. Management believes that its credit-review procedures, loss reserves, customer deposits and collection procedures have adequately provided for usual and customary credit-related losses. Commodity-based hedging arrangements also expose the Company to credit risk. The Company monitors the creditworthiness of its counterparties, which generally are major financial institutions, and believes that losses from non-performance are unlikely to occur.

Interest-Rate Risk Management

The Company held floating-rate long-term debt at December 31, 2000 and 1999. The book value of variable-rate debt approximates fair value.

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 $54.4 million (U.S.) is expected to be repaid from future operations of the foreign company.

Note 4 - Income Taxes

The components of income taxes for years ended December 31 were as follows:

	2000	1999	1998
		(In Thousands)	
Federal			
Current	$13,678	$11,411	$4,263
Deferred	22,330	4,826	(86)
State			
Current	1,129	1,568	228
Deferred	2,015	620	1,007
Foreign	6,394	159	(6,431)
	$45,546	$18,584	($1,019)

The difference between income tax expense and the tax computed by applying the statutory federal income tax rate of 35% to income from continuing operations before income taxes is explained as follows:

	2000	1999	1998
		(In Thousands)	
Income from continuing operations before income taxes	$130,588	$64,450	$15,706
Federal income taxes at statutory rate	$45,706	$22,558	$5,497
State income taxes, net of federal income tax benefit	2,043	1,422	803
Nonconventional fuel credits	(4,655)	(5,282)	(5,736)
Foreign income taxes	2,474	48	(1,771)
Other	(22)	(162)	188
Income taxes	$45,546	$18,584	($1,019)
Effective income tax rate	34.9%	28.8%	-

Significant components of the Company's deferred income taxes at December 31 were as follows:

	2000	1999
	(In Thousands)	
Deferred tax liabilities		
Property, plant and equipment	$106,472	$74,333
Other	624	509
Total deferred tax liabilities	107,096	74,842
Deferred tax assets		
Alternative minimum tax and nonconventional fuel credit carryforwards		2,468
Reserves, compensation plans		

and other	10,637	12,438
	10,637	14,906
Net deferred income taxes	$96,459	$59,936

The Company paid $25,586,000 in 2000 and $7,183,000 in 1999 for income taxes. In 1998, Market Resources received $1,856,000 in settlement of income taxes.

Note 5 - Litigation and Commitments

On January 4, 2001, a district court judge in Texas County, Oklahoma, approved the settlement agreement reached by the Questar defendants and Union Pacific Resources Company, predecessor in interest to Questar Exploration & Production (QE&P), as defendants in the case of Bridenstine v. Kaiser-Francis Oil Company. Under the terms of the settlement, the Company and Union Pacific Resources paid a total of $22.5 million ($16.5 million by the Company) to resolve all of the issues in the litigation. The Questar defendants disputed plaintiffs' claims, but settled the lawsuit to avoid the uncertainty of a jury verdict. Payment of the settlement funds did not have a material adverse effect on the Company's results of operations, financial position, or liquidity.

There are various other legal proceedings against Market Resources. While it is not currently possible to predict or determine the outcomes of these proceedings, it is the opinion of management that the outcomes will not have a materially adverse effect on the Company's results of operations, financial position or liquidity.

Questar Energy Trading has contracted for firm-transportation services with various pipelines to transport 76.2 Mdth per day of gas. The contracts extends for six years and have an annual cost of approximately $3 million. Due to market conditions and competition, it is possible that Questar Energy Trading may be unable to sell enough gas to fully utilize the contracted capacity. Questar Energy Trading has reserved firm-storage capacity of 1,065 Mdth per day with Questar Pipeline through 2008 with an annual cost of $627,000.

The minimum future payments under the terms of long-term operating leases for the Company's primary office locations for the four years following December 31, 2000, are as follows:

	(In Thousands)
2001	$1,885
2002	1,445
2003	522
2004	44

Total minimum future rental payments have not been reduced for sublease rental receipts of $187,000, and $24,000, which are expected to be received in the years ended December 31, 2001, and 2002, respectively. Total rental expense amounted to $2,087,000 in 2000, $1,804,000 in 1999 and $1,397,000 in 1998. Sublease rental receipts were $118,000 in 2000 and $94,000 in 1999.

Note 6 - Employment Benefits

Pension Plan: Substantially all of QMR's employees are covered by Questar's defined benefit pension plan, although some employees have elected other benefits in place of a pension benefit. Benefits are generally based on age at retirement, years of service and highest earnings in a consecutive 72-pay period interval during the ten years preceding retirement. The Company's policy is to make contributions to the plan at least sufficient to meet the minimum funding requirements of applicable laws and regulations. Plan assets consist principally of equity securities and corporate and U.S. government debt obligations. Pension cost was $385,000 in 2000, $887,000 in 1999 and $761,000 in 1998.

Market Resources' portion of plan assets and benefit obligations is not determinable because the plan assets are not segregated or restricted to meet the Company's pension obligations. If the Company were to withdraw from the pension plan, the pension obligation for the Company's employees would be retained by the pension plan. At December 31, 2000, Questar's accumulated benefit obligation exceeded the fair value of plan assets.

Postretirement Benefits Other Than Pensions: Market Resources pays a portion of health-care costs and life insurance costs for employees. The Company linked the health-care benefits to years of service and limited the Company's monthly health care contribution per individual to 170% of the 1992 contribution. Employees hired after December 31, 1996, do not qualify for postretirement medical benefits under this plan. The Company's policy is to fund amounts allowable for tax deduction under the Internal Revenue Code. Plan assets consist of equity securities, and corporate and U.S. government debt obligations. The Company is amortizing a transition obligation over a 20-year period beginning in 1992. Costs of postretirement benefits other than pensions were $1,654,000 in 2000, $1,158,000 in 1999 and $1,018,000 in 1998.

Market Resources' portion of plan assets and benefit obligations related to postretirement medical and life insurance benefits is not determinable because the plan assets are not segregated or restricted to meet the Company's obligations.

Postemployment Benefits: Market Resources recognizes the net present value of the liability for postemployment benefits, such as long-term disability benefits and health-care and life-insurance costs, when employees become eligible for such benefits. Postemployment benefits are paid to former employees after employment has been terminated but before retirement benefits are paid. The Company accrues the present value both of current and future costs. The Company's postemployment benefit liability at December 31, 2000 and 1999 was $555,000 and $381,000, respectively based on a discount rate of 7.75%.

Employee Investment Plan: The Company participates in Questar's Employee Investment Plan (EIP), which allows eligible employees to purchase Questar common stock or other investments through payroll deduction of pretax earnings. The Company pays for contributions of Questar common stock to the EIP of approximately 80% of the employees' purchases of the maximum of 6% of eligible earnings and contributes an additional $200 of common stock in the name of each eligible employee. The Company's expense and contribution to the plan was $1,125,000 in 2000, $895,000 in 1999 and $811,000 in 1998.

Note 7 - Related Party Transactions

QMR receives a significant portion of its revenues from services provided to Questar Gas Company. The Company received $92,455,000 in 2000, $79,324,000 in 1999 and $75,171,000 in 1998 for operating cost-of-service gas properties, gathering gas and supplying a portion of gas for resale, among other services provided to Questar Gas. Operation of cost-of-service gas properties is described in Wexpro Settlement Agreement (Note 8). The Company also received revenues from other affiliated companies totaling $397,000 in 2000, $384,000 in 1999 and $310,000 in 1998.

Questar performs certain administrative functions for QMR. The Company was charged for its allocated portion of these services which totaled $6,626,000 in 2000, $4,469,000 in 1999 and $3,970,000 in 1998. These costs are included in operating and maintenance expenses and are allocated based on each affiliate's proportional share of revenues, net of gas costs; property, plant and equipment; and payroll. Management believes that the allocation method is reasonable.

QMR's subsidiaries contracted for transportation and storage services with Questar Pipeline and paid $2,146,000 in 2000, $3,378,000 in 1999 and $3,968,000 in 1998 for those services.

Questar InfoComm Inc is an affiliated company that provides some data processing and communication services to Market Resources. The Company paid Questar InfoComm $1,904,000 in 2000, $2,276,000 in 1999 and $2,273,000 in 1998.

QMR has a 5-year lease with Questar for space in an office building located in Salt Lake City, Utah and owned by a third party. The third party has a lease arrangement with Questar Corp, which in turn sublets office space to affiliated companies. The annual lease payment, which began October of 1997, is $863,000.

The Company received interest income from affiliated companies of $355,000 in 2000, $681,000 in 1999 and $1,908,000 in 1998. Market Resources incurred debt expense to affiliated companies of $2,520,000 in 2000, $3,350,000 in 1999 and $3,331,000 in 1998.

Note 8 - Wexpro Settlement Agreement

Wexpro's operations are subject to the terms of the Wexpro settlement agreement. The agreement was effective August 1, 1981, and sets forth the rights of Questar Gas's utility operations to share in the results of Wexpro's operations. The agreement was approved by the PSCU and PSCW in 1981 and affirmed by the Supreme Court of Utah in 1983. Major provisions of the settlement agreement are as follows:

a. Wexpro continues to hold and operate all oil-producing properties previously transferred from Questar Gas's nonutility accounts. The oil production from these properties is sold at market prices, with the revenues used to recover operating expenses and to give Wexpro a return on its investment. The after-tax rate of return is adjusted annually and is approximately 13.64%. Any net income remaining after recovery of expenses and Wexpro's return on investment is divided between Wexpro and Questar Gas, with Wexpro retaining 46%.

b. Wexpro conducts developmental oil drilling on productive oil properties and bears any costs of dry holes. Oil discovered from these properties is sold at market prices, with the revenues used to recover operating expenses and to give Wexpro a return on its investment in successful wells. The after-tax rate of return is adjusted annually and is approximately 18.64%. Any net income remaining after recovery of expenses and Wexpro's return on investment is divided between Wexpro and Questar Gas, with Wexpro retaining 46%.

c. Amounts received by Questar Gas from the sharing of Wexpro's oil income are used to reduce natural-gas costs to utility customers.

d. Wexpro conducts developmental gas drilling on productive gas properties and bears any costs of dry holes. Natural gas produced from successful drilling is owned by Questar Gas. Wexpro is reimbursed for the costs of producing the gas plus a return on its investment in successful wells. The after-tax return allowed Wexpro is approximately 21.64%.

e. Wexpro operates natural-gas properties owned by Questar Gas. Wexpro is reimbursed for its costs of operating these properties, including a rate of return on any investment it makes. This after-tax rate of return is approximately 13.64%.

Note 9 - Business Segment Information

QMR is a sub-holding company that has three primary business segments: exploration and production, the management and development of cost of service properties, and gathering, processing and marketing. QMR's reportable segments are strategic business units with similar operations and management objectives. The reportable segments are managed separately because each segment requires different operational assets, technology and management strategies.

	Year Ended December 31, 2000	1999	1998
	(In Thousands)		
Revenues from Unaffiliated Customers			
Exploration and production	$245,728	$162,475	$135,509
Cost of service	15,179	8,844	10,025
Gathering, processing and marketing	388,293	247,284	237,257
	$649,200	$418,603	$382,791
Revenues from Affiliated Companies			
Exploration and production	$ 18	$ -	$ -
Cost of service	73,721	62,335	58,581

Gathering, processing and marketing	19,114	17,373	16,900
	$ 92,853	$ 79,708	$ 75,481
Depreciation and Amortization Expense			
Exploration and production	$ 64,619	$ 61,057	$ 55,015
Cost of service	13,922	12,665	11,379
Gathering, processing and marketing	5,934	4,886	4,983
	$ 84,475	$ 78,608	$ 71,377
Operating Income (Loss)			
Exploration and production	$ 89,862	$ 37,406	$ (6,063)
Cost of service	38,502	32,948	28,218
Gathering, processing and marketing	11,739	6,424	3,474
	$140,103	$ 76,778	$ 25,629
Interest and Other Income			
Exploration and production	$ 2,606	$ 2,209	$ 2,256
Cost of service	472	534	971
Gathering, processing and marketing	7,553	1,529	411
	$ 10,631	$ 4,272	$ 3,638
Debt Expense			
Exploration and production	$ 17,976	$ 14,770	$ 11,552
Cost of service	721	582	149
Gathering, processing and marketing	4,225	2,011	930
	$ 22,922	$ 17,363	$ 12,631
Income Taxes			
Exploration and production	$ 25,411	$ 4,037	$(12,102)
Cost of service	13,873	12,020	10,387
Gathering, processing and marketing	6,262	2,527	696
	$ 45,546	$ 18,584	$ (1,019)
Income (Loss) From Continuing Operations			
Exploration and production	$ 49,371	$ 20,808	$ (3,257)
Cost of service	24,380	20,880	18,653
Gathering, processing and marketing	11,291	4,178	1,329
	$ 85,042	$ 45,866	$ 16,725
Fixed Assets - Net			
Exploration and production	$ 569,784	$482,043	$496,884
Cost of service	155,374	137,584	129,573
Gathering, processing and marketing	79,096	71,354	69,055
	$ 804,254	$690,981	$695,512
Capital Expenditures			
Exploration and production	$ 149,098	$ 81,863	$219,608
Cost of service	32,048	21,076	26,653
Gathering, processing and marketing	14,824	31,330	8,285
	$ 195,970	$134,269	$254,546
GEOGRAPHIC INFORMATION			
Revenues			
United States	$ 703,981	$485,995	$447,798
Canada	38,072	12,316	10,474
	$ 742,053	$498,311	$458,272
Fixed Assets - Net			
United States	$ 698,959	$ 654,961	$662,260
Canada	105,295	36,020	33,252
	$ 804,254	$ 690,981	$695,512

Note 10 - Supplemental Oil and Gas Information (Unaudited)

The Company uses the full-cost accounting method for the majority of its oil and gas exploration and development activities. However, as ordered by the Public Service Commission of Utah, the successful efforts method of accounting is utilized with respect to costs associated with certain cost-of-service oil and gas properties managed and developed by Wexpro and regulated for ratemaking purposes. Cost-of-service oil and gas properties are those properties for which the operations and return on investment are regulated by the Wexpro settlement agreement (See Note 8).

Oil and Gas Exploration and Development Activities: The following information is provided with respect to Questar's oil and gas exploration and development activities, located in the United States and Canada.

Capitalized Costs

The aggregate amounts of costs capitalized for oil and gas exploration and development activities and the related amounts of accumulated depreciation and amortization follow:

As of December 31,	United States	Canada	Total
		(In Thousands)	
2000			
Proved properties	$962,942	$119,067	$1,082,009
Unproved properties	48,429	27,787	76,216
Support equipment and facilities	12,002	1,177	13,179
	1,023,373	148,031	1,171,404
Accumulated depreciation and amortization	558,884	42,736	601,620
	$464,489	$105,295	$569,784
1999			
Proved properties	$885,333	$58,016	$943,349
Unproved properties	58,248	11,529	69,777
Support equipment and facilities	12,418	990	13,408
	955,999	70,535	1,026,534
Accumulated depreciation and amortization	509,976	34,515	544,491
	$446,023	$36,020	$482,043
1998			
Proved properties	$869,514	$48,723	$918,237
Unproved properties	49,724	12,763	62,487
Support equipment and facilities	13,949	929	14,878
	933,187	62,415	995,602
Accumulated depreciation and amortization	469,555	29,163	498,718
	$463,632	$33,252	$496,884

Unproved Properties Excluded from Full-Cost Amortization

Unproved properties are excluded from full-cost amortization until evaluated. A summary of costs excluded from amortization at December 31, 2000, and the period in which these costs were incurred are listed below by cost center:

		Year Costs Incurred			
	Total	2000	1999	1998	1997 and Prior
			(In Thousands)		
United States					
Acquisition	$35,387	$2,932	$7,266	$17,689	$7,500
Exploration	13,042	2,340	2,967	1,868	5,867
	48,429	5,272	10,233	19,557	13,367
Canada					
Acquisition	23,786	14,903	71	534	8,278
Exploration	4,002	2,703	125	382	792
	27,788	17,606	196	916	9,070
Total U. S. and Canada	$76,217	$22,878	$10,429	$20,473	$22,437

Costs Incurred

The following costs were incurred in oil and gas exploration and development activities:

Year Ended December 31,	United States	Canada	Total
		(In Thousands)	
2000			
Property acquisition			
Unproved	$3,082	$14,885	$17,967
Proved	1,202	31,900	33,102
Exploration	5,412	3,078	8,490
Development	65,709	30,470	96,179
	$75,405	$80,333	$155,738

1999

Property acquisition			
Unproved	$12,547	$351	$12,898
Proved	3,746	18	3,764
Exploration	7,467	501	7,968
Development	53,488	3,745	57,233
	$77,248	$4,615	$81,863
1998			
Property acquisition			
Unproved	$29,367	$145	$29,512
Proved	126,723	3,144	129,867
Exploration	10,055	1,222	11,277
Development	43,090	5,363	48,453
	$209,235	$9,874	$219,109

Results of Operations

Following are the results of operations of Market Resources' oil and gas exploration and development activities, before corporate overhead and interest expenses. The Company recorded write-downs of its full-cost oil and gas properties in accordance with the limitation of its full-cost ceiling in 1998.

	United States	Canada	Total
Year Ended December 31, 2000		(In Thousands)	
Revenues			
From unaffiliated customers	$207,656	$38,072	$245,728
From affiliates	18		18
Total revenues	207,674	38,072	245,746
Production expenses	49,116	9,370	58,486
Depreciation and amortization	54,942	9,677	64,619
Total expenses	104,058	19,047	123,105
Revenues less expenses	103,616	19,025	122,641
Income taxes - Note A	33,890	10,939	44,829
Results of operations before corporate overhead and interest expenses	$69,726	$8,086	$77,812
Year Ended December 31, 1999			
Revenues	$150,159	$12,316	$162,475
Production expenses	41,948	3,681	45,629
Depreciation and amortization	57,545	3,512	61,057
Total expenses	99,493	7,193	106,686
Revenues less expenses	50,666	5,123	55,789
Income taxes - Note A	13,616	2,567	16,183
Results of operations before corporate overhead and interest expenses	$37,050	$2,556	$39,606
Year Ended December 31, 1998			
Revenues	$125,035	$10,474	$135,509
Production expenses	38,788	3,004	41,792
Depreciation and amortization	49,740	5,275	55,015
Write-down of oil and gas properties	19,000	12,000	31,000
Total expenses	107,528	20,279	127,807
Revenues less expense	17,507	(9,805)	7,702
Income taxes - Note A	1,191	(4,030)	(2,839)
Results of operations before corporate overhead and interest expenses	$16,316	($5,775)	$10,541

Note A - Income tax expenses has been reduced by nonconventional fuel tax credits of $4,655,000 in 2000, $5,282,000 in 1999 and $5,736,000 in 1998.

Estimated Quantities of Proved Oil and Gas Reserves

Estimates of the reserves located in the United States were made by Ryder Scott Company, H. J. Gruy and Associates, Inc., Netherland, Sewell & Associates, and Malkewicz Hueni Associates, Inc., independent reservoir engineers. Estimated

Canadian reserves were prepared by Gilbert Laustsen Jung Associates Ltd. and Sproule Associates Ltd. Reserve estimates are based on a complex and highly interpretive process that is subject to continuous revision as additional production and development-drilling information becomes available. The quantities reported below are based on existing economic and operating conditions at December 31. All oil and gas reserves reported were located in the United States and Canada. The Company does not have any long-term supply contracts with foreign governments or reserves of equity investees.

	United States	Nat. Gas Canada (MMcf)	Total	United States	Oil Canada (MBbl)	Total
Proved Reserves						
Balance at January 1, 1998	357,529	21,134	378,663	12,664	2,435	15,099
Revisions of estimates	378	(3,568)	(3,190)	(3,165)	238	(2,927)
Extensions and discoveries	28,598	1,984	30,582	442	261	703
Purchase of reserves in place	129,207	5,110	134,317	3,720	71	3,791
Sale of reserves in place	(440)		(440)	(76)		(76)
Production	(48,584)	(2,725)	(51,309)	(1,936)	(404)	(2,340)
Balance at December 31, 1998	466,688	21,935	488,623	11,649	2,601	14,250
Revisions of estimates	4,155	(106)	4,049	4,031	372	4,403
Extensions and discoveries	77,737	1,720	79,457	794	257	1,051
Purchase of reserves in place	17,020		17,020	130		130
Sale of reserves in place	(11,984)		(11,984)	(3,665)		(3,665)
Production	(59,839)	(2,873)	(62,712)	(1,876)	(435)	(2,311)
Balance at December 31, 1999	493,777	20,676	514,453	11,063	2,795	13,858
Revisions of estimates	25,662	(7,890)	17,772	221	(64)	157
Extensions and discoveries	123,155	2,511	125,666	1,532	208	1,740
Purchase of reserves in place	846	52,000	52,846	1	1,520	1,521
Sale of reserves in place	(1,885)		(1,885	(17)		(17)
Production	(61,722)	(7,241	(68,963)	(1,484)	(741)	(2,225)
Balance at December 31, 2000	579,833	60,056	639,889	11,316	3,718	15,034
Proved-Developed Reserves						
Balance at January 1, 1998	300,550	16,670	317,220	10,769	1,851	12,620
Balance at December 31, 1998	411,826	17,835	429,661	10,443	2,281	12,724
Balance at December 31, 1999	412,008	17,076	429,084	9,897	2,565	12,462
Balance at December 31, 2000	434,122	55,623	489,745	9,696	3,077	12,773

Standardized Measure of Future Net Cash Flows Relating to Proved Reserves

Future net cash flows were calculated at December 31 using year-end prices and known contract-price changes. The year-end prices do not include any impact of hedging activities. Year-end production costs, development costs and appropriate statutory income tax rates, with consideration of future tax rates already legislated, were used to compute the future net cash flows. All cash flows were discounted at 10% to reflect the time value of cash flows, without regard to the risk of specific properties.

The assumptions used to derive the standardized measure of future net cash flows are those required by accounting standards and do not necessarily reflect the Company's expectations. The usefulness of the standardized measure of future net cash flows is impaired because of the reliance on reserve estimates and production schedules that are inherently imprecise.

Year Ended December 31,	United States	Canada	Total
		(In Thousands)	
2000			
Future cash inflows	$5,412,945	$568,771	$5,981,716
Future production costs	(955,827)	(73,583)	(1,029,410)
Future development costs	(107,355)	(2,900)	(110,255)
Future income tax expenses	(1,493,301)	(225,234)	(1,718,535)
Future net cash flows	2,856,462	267,054	3,123,516
10% annual discount to reflect timing of net cash flows	(1,314,258)	(117,637)	(1,431,895)
Standardized measure of discounted future net cash flows	$1,542,204	$149,417	$1,691,621
1999			
Future cash inflows	$1,332,761	$108,990	$1,441,751
Future production costs	(398,591)	(28,280)	(426,871)
Future development costs	(61,034)	(3,146)	(64,180)
Future income tax expenses	(183,767)	(11,656)	(195,423)
Future net cash flows	689,369	65,908	755,277
10% annual discount to reflect timing of net cash flows	(283,055)	(23,193)	(306,248)
Standardized measure of discounted future net cash flows	$406,314	$42,715	$449,029
1998			
Future cash inflows	$982,404	$66,885	$1,049,289
Future production costs	(320,355)	(22,088)	(342,443)
Future development costs	(45,138)	(696)	(45,834)
Future income tax expenses	(74,738)		(74,738)
Future net cash flows	542,173	44,101	586,274
10% annual discount to reflect timing of net cash flows	(216,907)	(14,809)	(231,716)
Standardized measure of discounted future net cash flows	$325,26	$29,292	$354,558

The principal sources of change in the standardized measure of discounted future net cash flows were:

	Year Ended December 31, 2000	1999	1998
		(In Thousands)	
Beginning balance	$449,029	$354,558	$301,162
Sales of oil and gas produced, net of production costs	(187,260)	(116,846)	(93,717)
Net changes in prices and production costs	1,636,707	170,012	(53,626)
Extensions and discoveries, less related costs	492,398	79,511	24,120
Revisions of quantity estimates	70,155	28,665	(14,399)
Purchase of reserves in place	33,102	3,764	129,867
Sale of reserves in place	(1,867)	(33,043)	(540)
Accretion of discount	44,903	35,456	30,116
Net change in income taxes	(804,799)	(66,293)	11,550
Change in production rate	(50,077)	(8,859)	6,728
Other	9,330	2,104	13,297
Net change	1,242,592	94,471	53,396
Ending balance	$1,691,621	$449,029	$354,558

Cost-of-Service Activities

The following information is provided with respect to cost-of-service oil and gas properties managed and developed by Wexpro and regulated by the Wexpro settlement agreement. Information on the standardized measure of future net cash flows has not been included for cost-of-service activities because the operations of and return on investment for such properties are regulated by the Wexpro settlement agreement.

Capitalized Costs

Capitalized costs for cost-of-service oil and gas properties net of the related accumulated depreciation and amortization were as follows:

	December 31, 2000	1999	1998
	(In Thousands)		
Proved properties	$348,403	$318,451	$297,809
Accumulated depreciation and amortization	193,029	180,867	168,236
	$155,374	$137,584	$129,573

Costs Incurred

Costs incurred by Wexpro for cost-of-service oil and gas producing activities were $32,066,000 in 2000, $21,273,000 in 1999 and $26,956,000 in 1998.

Results of Operations

Following are the results of operations of the Company's cost-of-service gas and oil development activities before corporate overhead and interest expenses.

	Year Ended December 31, 2000	1999	1998
	(In Thousands)		
Revenues			
From unaffiliated companies	$15,179	$8,844	$10,025
From affiliates - Note A	73,721	62,335	58,581
Total revenues	88,900	71,179	68,606
Production expenses	27,861	18,548	22,439
Depreciation and amortization	13,922	12,665	11,379
Total expenses	41,783	31,213	33,818
Revenues less expenses	47,117	39,966	34,788
Income taxes	16,923	14,602	12,441
Results of operations before corporate overhead and interest expenses	$30,194	$25,364	$22,347

Note A - Represents revenues received from Questar Gas pursuant to Wexpro Settlement Agreement.

Estimated Quantities of Proved Oil and Gas Reserves

The following estimates were made by the Company's reservoir engineers. No estimates are available for cost-of-service proved-undeveloped reserves that may exist.

	Natural Gas (MMcf)	Oil (MBbl)
Proved Developed Reserves		
Balance at January 1, 1998	337,179	3,049
Revisions of estimates	15,017	(46)
Extensions and discoveries	25,077	333
Production	(37,138)	(613)
Balance at December 31, 1999	340,135	2,723
Revisions of estimates	5,699	976
Extensions and discoveries	46,739	213
Production	(38,890)	(623)
Balance at December 31, 1999	353,683	3,289
Revisions of estimates	16,523	504
Extensions and discoveries	50,351	234
Production	(41,546)	(579)
Balance at December 31, 2000	379,011	3,448

GLOSSARY OF COMMONLY USED OIL AND GAS TERMS

"Bbl" means barrel. One barrel is the equivalent of 42 standard U.S. gallons.

"Bcf" means billion cubic feet, a common unit of measurement of natural gas.

"Bcfe" means billion cubic feet of natural gas equivalents. Oil volumes are converted to natural gas equivalents using the ratio of one barrel of crude oil to six thousand cubic feet of natural gas.

"Btu" means British thermal unit, measured as the amount of energy required to raise the temperature of one pound of water one degree Fahrenheit.

"Completion" means the completion of the processes necessary before production of oil or natural gas occurs (e.g., perforating the casing; installing permanent equipment in the well; or in the case of a dry hole, the reporting of abandonment to the appropriate agency.

"Development well" means a well drilled into a known producing formation in a previously discovered field.

"Dry hole" means a well found to be incapable of producing hydrocarbons in sufficient quantities such that proceeds from the sale of such production exceed production expenses and taxes.

"Dth" means decatherms or ten therms. One decatherm equals one million Btu.

"Exploratory well" means a well drilled into a previously untested geologic structure to determine the presence of oil or gas.

"Gross" natural gas and oil wells or "gross" acres equals the number of wells or acres in which we have an interest.

"MBbls" means thousand barrels.

"Mcf" means thousand cubic feet.

"Mcfe" means thousand cubic feet of natural gas equivalents.

"MDths" means thousand decatherms.

"MMBbls" means million barrels.

"MMBtu" means million British thermal units.

"MMcf" means million cubic feet.

"MMDth" means million decatherms.

"Net" gas and oil wells or "net" acres are determined by multiplying gross wells or acres by our working interest in those wells or acres.

"NGL" means natural gas liquids.

"Proved reserves" means those quantities of natural gas and crude oil, condensate, and natural gas liquids on a net revenue interest basis, which geological and engineering data demonstrate with reasonable certainty to be recoverable under existing economic and operating conditions. "Proved developed reserves" include proved developed producing reserves and proved developed behind-pipe reserves. "Proved developed producing reserves" include only those reserves expected to be recovered from existing completion intervals in existing wells. "Proved undeveloped reserves" include those reserves expected to be recovered from new wells on proved undrilled acreage or from existing wells where a relatively major expenditure is required for recompletion.

"Reservoir" means a porous and permeable underground formation containing a natural accumulation of producible natural gas and/or oil that is confined by impermeable rock or water barriers and is separate from other reservoirs.

"Working interest" means an interest that gives the owner the right to drill, produce, and conduct operating activities on a property and receive a share of any production.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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, on the 29th day of March, 2001.

QUESTAR MARKET RESOURCES, INC.
(Registrant)

By /s/ G. L. Nordloh
G. L. Nordloh
President & Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the date indicated.

/s/ G. L. Nordloh G. L. Nordloh	President & Chief Executive Officer; Director (Principal Executive Officer)
/s/ S. E. Parks S. E. Parks	Vice President, Treasurer and Chief Financial Officer (Principal Financial Officer)
/s/B. Kurtis Watts B. Kurtis Watts	Manager, Accounting (Principal Accounting Officer)
*R. D. Cash	Chairman of the Board; Director
*Teresa Beck	Director
*Patrick J. Early	Director
*William N. Jones	Director
*G. L. Nordloh	Director
*Keith O. Rattie	Director

March 29, 2001 Date	*By /s/ G. L. Nordloh G. L. Nordloh, Attorney in Fact

EXHIBIT INDEX

Exhibit Number	Description
3.1.*	Articles of Incorporation dated April 27, 1988 for Utah Entrada Industries, Inc. (Exhibit No. 3.1. to the Company's Form 10 dated April 12, 2000.)
3.2.*	Articles of Merger, dated May 20, 1988, of Entrada Industries, Inc., a Delaware corporation and Utah Entrada Industries, Inc, a Utah corporation. (Exhibit No. 3.2. to the Company's Form 10 dated April 12, 2000.)
3.3.*	Articles of Amendment dated August 31, 1998, changing the name of Entrada Industries, Inc. to Questar Market Resources, Inc. (Exhibit No. 3.3. to the Company's Form 10 dated April 12, 2000.)
3.4.*	Bylaws (as amended effective February 8, 2000.) (Exhibit No. 3.4. to the Company's Form 10 dated April 12, 2000.)
4.1.*	Indenture dated as of March 1, 2001, between the Questar Market Resources, Inc. and Bank One, NA, as Trustee for the Company's 71/2% Notes due 2011. (Exhibit No. 4.01. to the Company's Current Report on Form 8-K dated March 6, 2001.)
4.2.*	Form of 71/2% Notes due 2011. (Exhibit No. 4.02. to the Company's Current Report on Form 8-K dated March 6, 2001.)
4.3.	U.S. Credit Agreement, dated April 19, 1999, by and among Questar Market Resources, Inc., as U.S. borrower, NationsBank, N.A., as U.S. agent, and certain financial institutions, as lenders, with the First Amendment dated May 17, 1999, the Second Amendment dated July 30, 1999, the Third Amendment dated November 30,

1999, the Fourth Amendment dated April 17, 2000, the Fifth Amendment dated October 6, 2000, and the Sixth Amendment dated February 9, 2001. (Exhibit No. 4.1. to the Company's Form 10 dated April 12, 2000, for the U. S. Credit Agreement, and the First, Second and Third Amendments; Exhibit No. 4.1. to the Company's Form 10/A dated November 9, 2000, for the Fourth and Fifth Amendments.) The Sixth Amendment is filed with this Report.1

4.4. Long-term debt instruments with principal amounts not exceeding 10 percent of QMR's total consolidated assets are not filed as exhibits. The Company will furnish a copy of these agreements to the Commission upon request.

10.1.* Stipulation and Agreement, dated October 14, 1981, executed by Mountain Fuel Supply Company [Questar Gas Company]; Wexpro Company; the Utah Department of Business Regulations, Division of Public Utilities; the Utah Committee of Consumer Services; and the staff of the Public Service Commission of Wyoming. (Exhibit No. 10(a) to Questar Gas Company's Form 10-K Annual Report for 1981.)

21. Subsidiary Information.

24. Power of Attorney

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*Exhibits so marked have been filed with the Securities and Exchange Commission as part of the indicated filing and are incorporated herein by reference.

1Exhibit so marked is management contract or compensation plan or arrangement.

EXHIBIT 4.3

SIXTH AMENDMENT TO US CREDIT AGREEMENT

THIS SIXTH AMENDMENT TO US CREDIT AGREEMENT (herein called the "Amendment") made as of February 9, 2001, by and among Questar Market Resources, Inc., a Utah corporation ("US Borrower"), Bank of America, N.A., individually and as administrative agent for the Lenders as defined below ("US Agent"), and the undersigned Lenders.

W I T N E S S E T H:

WHEREAS, US Borrower, US Agent and the lenders as signatories thereto (the "Lenders") entered into that certain US Credit Agreement dated as of April 19, 1999, as amended by that certain First Amendment to US Credit Agreement dated as of May 17, 1999, as amended by that certain Second Amendment to US Credit Agreement dated as of July 30, 1999, as amended by that certain Third Amendment to US Credit Agreement dated as of November 30, 1999, as amended by that certain Fourth Amendment to US Credit Agreement dated as of April 17, 2000, and as amended by that certain Fifth Amendment to US Credit Agreement dated as of October 6, 2000 (the "Original Agreement"), for the purpose and consideration therein expressed, whereby the Lenders became obligated to make loans to US Borrower as therein provided; and

WHEREAS, US Borrower, US Agent and the undersigned Lenders desire to amend the Original Agreement for the purposes as provided herein;

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements contained herein and in the Original Agreement, in consideration of the loans which may hereafter be made by Lenders to US Borrower, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto do hereby agree as follows:

ARTICLE I.

Definitions and References

Section 1.1. Terms Defined in the Original Agreement. Unless the context otherwise requires or unless otherwise expressly defined herein, the terms defined in the Original Agreement shall have the same meanings whenever used in this Amendment.

Section 1.2. Other Defined Terms. Unless the context otherwise requires, the following terms when used in this Amendment shall have the meanings assigned to them in this Section 1.2.

"Amendment" means this Sixth Amendment to US Credit Agreement.

"US Credit Agreement" means the Original Agreement as amended hereby.

ARTICLE II.

Amendments to Original Agreement

Section 2.1. Addition of Defined Term to Annex I. The following definition of "FAS 133" is hereby added to Annex I of the Original Agreement to read as follows:

"'FAS 133' means the Financial Accounting Standard's Board Statement No. 133, as amended by Statement No. 137 and Statement No. 138."

Section 2.2. Amendment to Annex I. The following definitions set forth in Annex I to the Original Agreement are hereby amended in their entirety to read as follows:

"'Permitted Liens' means:

(a) operators' liens under customary operating agreements, statutory Liens for taxes, statutory mechanics' and materialmen's Liens, and other similar statutory Liens, provided such Liens secure only Liabilities which are not delinquent or which are being contested as provided in Section 6.7 of the US Agreement or Section 6.7 of the Canadian Agreement;

(b) Liens on any oil and gas properties which neither have developed reserves (producing or non-producing) properly attributable thereto nor are otherwise held under lease by production of other reserves;

(c) Liens on the Restricted Persons' office facilities;

(d) Liens on property securing non-recourse debt permitted under Section 7.1(f) of the US Agreement and Section 7.1(f) of the Canadian Agreement which is acquired with proceeds or developed with proceeds of the non-recourse debt;

(e) Liens on cash or cash equivalents and letters of credit permitted under Section 7.10(i)(b) of the US Agreement and Section 7.10(i)(b) of the Canadian Agreement;

(f) Liens to secure the Obligations;

provided that nothing in this definition shall in and of itself constitute or be deemed to constitute an agreement or acknowledgment by the US Agent or the Canadian Agent or any Lender that the Indebtedness subject to or secured by any such Permitted Lien ranks (apart from the effect of any Lien included in or inherent in any such Permitted Liens) in priority to the Obligations."

"'Shareholders' Equity' means the remainder of (i) US Borrower's Consolidated assets minus (ii) the sum of (x) US Borrower's Consolidated liabilities (such assets and liabilities to be calculated excluding unrealized noncash gains or losses resulting from "mark-to-market" adjustments pursuant to FAS 133) plus (y) all treasury stock of US Borrower and its Subsidiaries."

"'Consolidated Net Worth' means as to US Borrower and its properly Consolidated subsidiaries at any time, the remainder of all Consolidated assets of US Borrower and such subsidiaries which would be shown on their Consolidated balance sheet prepared as of such time in accordance with GAAP, minus the sum of (a) all amounts which would be shown on such balance sheet as minority interests in any such subsidiaries, plus (b) all Consolidated Liabilities of US Borrower and such subsidiaries which would be shown on such balance sheet, adjusted by treating as Liabilities rather than equity all capital stock and other equity securities which US Borrower or any such subsidiary would be required to purchase, redeem or otherwise acquire at the election of any holder thereof, upon the passage of time, or upon the occurrence of any contingency (other than the voluntary election of US Borrower or any such subsidiary to make such purchase, redemption or acquisition) and excluding unrealized noncash gains or losses resulting from "mark-to-market" adjustments pursuant to FAS 133."

Section 2.3. Hedging Contracts. Section 7.10(i)(B) of the Original Agreement is hereby amended in its entirety to read as follows:

"(B) such contracts do not require any Restricted Person to provide any Lien or letter of credit to secure the Restricted Persons' obligations thereunder, other than Liens on cash or cash equivalents and letters of credit; provided that the aggregate amount of cash and cash equivalents subject to Liens securing such contracts and the undrawn amount of all letters of credit securing such contracts shall not exceed (i) US $60,000,000 at any time, through and including April 1, 2001 and (ii) US $30,000,000 at any time thereafter."

ARTICLE III.

Waiver

Section 3.1. Waiver. US Borrower has informed US Agent that US Borrower and Restricted Persons may have violated the provisions of Section 7.10(i) of the Original Agreement for the Fiscal Quarter ended December 31, 2000 and for the Fiscal Year ended December 31, 2000. US Agent and the undersigned Lenders hereby (a) waive any such violation of Section 7.10(i) for such Fiscal Quarter and such Fiscal Year, and (b) waive any Default or Event of Default resulting from such violation.

ARTICLE IV.

Conditions of Effectiveness

Section 4.1. Effective Date. This Amendment shall become effective as of the date first above written when, and only when, US Agent shall have received, at US Agent's office:

(i) a counterpart of this Amendment executed and delivered by US Borrower and Required Lenders;

(ii) a certificate of the Secretary or Assistant Secretary and of the President, Chief Financial Officer or Vice President of Administrative Services of US Borrower dated the date of this Amendment certifying: (a) that resolutions adopted in connection with the Original Agreement by the Board of Directors of the US Borrower authorize the execution, delivery and performance of this Amendment by US Borrower, (b) to the names and true signatures of the officers of the US Borrower authorized to sign this Amendment, and (c) that all of the representations and warranties set forth in Article V hereof are true and correct at and as of the time of such effectiveness; and

(iii) all fees and reimbursements to be paid to US Agent pursuant to any US Loan Documents, or otherwise due US Agent, including fees and disbursements of US Agent's attorneys.

ARTICLE V.

Representations and Warranties

Section 5.1. Representations and Warranties of Borrower. In order to induce US Agent and Lenders to enter into this Amendment, US Borrower represents and warrants to US Agent that:

(a) The representations and warranties contained in Article V of the Original Agreement are true and correct at and as of the time of the effectiveness hereof.

(b) US Borrower has duly taken all action necessary to authorize the execution and delivery by it of this Amendment and to authorize the consummation of the transactions contemplated hereby and the performance of its obligations hereunder. US Borrower is duly authorized to borrow funds under the US Credit Agreement.

(c) The execution and delivery by US Borrower of this Amendment, the performance by US Borrower of its obligations hereunder and the consummation of the transactions contemplated herein do not and will not (a) conflict with any provision of (i) any Law, (ii) the organizational documents of US Borrower, or (iii) any agreement, judgment, license, order or permit applicable to or binding upon US Borrower, or (b) result in the acceleration of any Indebtedness owed by US Borrower, or (c) result in or require the creation of any Lien upon any assets or properties of US Borrower, except as expressly contemplated or permitted in the Loan Documents. Except as expressly contemplated in the Loan Documents no consent, approval, authorization or order of, and no notice to or filing with any Tribunal or third party is required in connection with the execution, delivery or performance by US Borrower of this Amendment or to consummate any transactions contemplated herein.

(d) This Amendment is a legal, valid and binding obligation of US Borrower, enforceable in accordance with its terms, except as such enforcement may be limited by bankruptcy, insolvency or similar Laws of general application relating to the enforcement of creditors' rights and by equitable principles of general application relating to the enforcement of creditor's rights.

ARTICLE VI.

Miscellaneous

Section 6.1. Ratification of Agreements. The Original Agreement as hereby amended is hereby ratified and confirmed in all respects. The US Loan Documents, as they may be amended or affected by this Amendment, are hereby ratified and confirmed in all respects. Any reference to the US Credit Agreement in any Loan Document shall be deemed to be a reference to the Original Agreement as hereby amended. The execution, delivery and effectiveness of this Amendment shall not, except as expressly provided herein, operate as a waiver of any right, power or remedy of Lenders under the US Credit Agreement, the US Notes, or any other US Loan Document nor constitute a waiver of any provision of the US Credit Agreement, the US Notes or any other US Loan Document.

Section 6.2. Survival of Agreements; Cumulative Nature. All of US Borrower's various representations, warranties, covenants and agreements herein shall survive the execution and delivery of this Amendment and the performance hereof, including without limitation the making or granting of the US Loans, and shall further survive until all of the US Obligations are paid in full to each Lender Party and all of Lender Parties' obligations to US Borrower are terminated. All statements and agreements contained in any certificate or instrument delivered by any Restricted Person hereunder or under the US Credit Agreement to any Lender Party shall be deemed representations and warranties by US Borrower or agreements and covenants of US Borrower under this Amendment and under the US Credit Agreement. The representations, warranties, indemnities, and covenants made by Restricted Persons in the US Loan Documents, and the rights, powers, and privileges granted to Lender Parties in the US Loan Documents, are cumulative, and, except for expressly specified waivers and consents, no Loan Document shall be construed in the context of another to diminish, nullify, or otherwise reduce the benefit to any Lender Party of any such representation, warranty, indemnity, covenant, right, power or privilege. In particular and without limitation, no exception set out in this Amendment to any representation, warranty, indemnity, or covenant herein contained shall apply to any similar representation, warranty, indemnity, or covenant contained in any other Loan Document, and each such similar representation, warranty, indemnity, or covenant shall be subject only to those exceptions which are expressly made applicable to it by the terms of the various US Loan Documents.

Section 6.3. Loan Documents. This Amendment is a US Loan Document, and all provisions in the US Credit Agreement pertaining to US Loan Documents apply hereto.

Section 6.4. Governing Law. This Amendment shall be governed by and construed in accordance the laws of the State of Utah and any applicable laws of the United States of America in all respects, including construction, validity and performance. US Borrower hereby irrevocably submits itself and each other Restricted Person to the non-exclusive jurisdiction of the state and federal courts sitting in the State of Utah and agrees and consents that service of process may be made upon it or any Restricted Person in any legal proceeding relating to the Amendment Documents or the Obligations by any means allowed under Utah or federal law.

Section 6.5. Counterparts. This Amendment may be separately executed in any number of counterparts and by the different parties hereto in separate counterparts, each of which when so executed shall be deemed to constitute one and the same Amendment. This Amendment may be validly executed and delivered by facsimile or other electronic transmission.

THIS AMENDMENT AND THE OTHER US LOAN DOCUMENTS REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

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IN WITNESS WHEREOF, this Amendment is executed as of the date first above written.

QUESTAR MARKET RESOURCES, INC.
US Borrower

By: /s/ G. L. Nordloh
G. L. Nordloh
President and Chief Executive Officer

Mailing Address:
P.O. Box 45433
Salt Lake City,
Utah 84145
Attention: Martin H. Craven

Street Address:
180 East 100 South
Salt Lake City, Utah 84111
Telephone: (801) 324-5497
Fax: (801) 324-5483

BANK OF AMERICA, N.A.
Administrative Agent,
US LC Issuer and Lender

By:
Name:
Title:

TORONTO DOMINION (TEXAS), INC.
Lender

By:
Name:
Title:

BANK OF MONTREAL
Lender

By:
James Whitmore
Director

BANK ONE, NA (MAIN OFFICE CHICAGO)
Lender

By:
Name:
Title:

FIRST SECURITY BANK, N.A.
Lender

By:
Name:
Title:

MELLON BANK, N.A.
Lender

By:
Roger E. Howard
Vice President

U.S. BANK NATIONAL ASSOCIATION
Lender

By:
Mark E. Thompson
Vice President

THE BANK OF TOKYO-MITSUBISHI, LTD.,
HOUSTON AGENCY
Lender

By:
Name:
Title:

THE INDUSTRIAL BANK OF JAPAN, LIMITED
Lender

By:
Name:
Title:

THE SUMITOMO BANK, LIMITED
Lender

By:
Name:
Title:

EXHIBIT 21

SUBSIDIARY INFORMATION

Registrant Questar Market Resources, Inc., has the following subsidiaries: Wexpro Company, Questar Exploration and Production Company, Questar Energy Trading Company, and Questar Gas Management Company. Questar Exploration and Production is a Texas corporation. The other listed companies are incorporated in Utah.

Questar Exploration and Production has a wholly owned subsidiary, Celsius Energy Resources, Ltd., which is an Alberta corporation. Celsius, Ltd., in turn, has a subsidiary, Canor Energy Ltd., which is also an Alberta corporation.

Questar Exploration and Production has one domestic active subsidiary: Questar URC Company, which is a Delaware corporation. Questar Exploration and Production also does business under the names Universal Resources Corporation, Questar Energy Company and URC Corporation.

Questar Energy Trading Company has one active subsidiary, URC Canyon Creek Compression Company, which is a Utah corporation.

EXHIBIT 24

POWER OF ATTORNEY

We, the undersigned directors of Questar Market Resources, Inc., hereby severally constitute G. L. Nordloh and S. E. Parks, and each of them acting alone, our true and lawful attorneys, with full power to them and each of them to sign for us, and in our names in the capacities indicated below, the Annual Report on Form 10-K for 2000 and any and all amendments to be filed with the Securities and Exchange Commission by Questar Market Resources, Inc., hereby ratifying and confirming our signatures as they may be signed by the attorneys appointed herein to the Annual Report on Form 10-K for 2000 and any and all amendments to such Report.

Witness our hands on the respective dates set forth below.

Signature	Title	Date
/s/ R. D. Cash R. D. Cash	Chairman of the Board	3/27/01
/s/ K. O. Rattie K. O. Rattie	Vice Chairman	3/27/01
/s/ G. L. Nordloh G. L. Nordloh	President & Chief Executive Officer Director	3/27/01
/s/ T. Beck T. Beck	Director	3/27/01
/s/ P. J. Early P. J. Early	Director	3/27/01
/s/ W. N. Jones William N. Jones	Director	3/27/01