

Balancing Resources on the Pinedale Anticline



December 2007

Dear Neighbor,

Season's Greetings from Ultra, Shell and Questar! It's that time of year again—the winter season has arrived and 2007 is quickly drawing to a close. This latest letter probably finds you busy with the upcoming holiday season, and we would like to take a quick moment to look back on the past year and to bring you up to date with our most recent happenings.

LOOKING BACK ON 2007

Touring the Anticline

This past year was a very exciting time for us at Ultra, Shell and Questar. Looking back on the entire year, our favorite experience was the opportunity to meet with many members of the community and bring them along on tours of our operations on the Anticline. This summer alone, close to 200 people joined us! Thank you to all who came along—we hope it was a beneficial experience for you.

Natural Gas Seminars

During October and the beginning of November, we held a free, three-part informational series for community members interested in learning more about the life of a Pinedale natural gas well. The seminars were designed to offer a better understanding of the technical nature of natural gas operations.

The presentations offered an opportunity for community members to get an in-depth explanation of how we choose the location of the wells and the rigorous permitting process that is required before we can begin operations. We were asked some great questions on the techniques we use to drill and complete our wells. Our presenters also covered the steps we take to reclaim the land on which we operate.

We had a wonderful turnout and we would like to thank all those who attended. With close to 60 participants, the interest from the community was so strong that we hope to offer these seminars again in 2008.

LIQUIDS GATHERING SYSTEM (LGS)

November marked the 2nd year anniversary of Questar's installation of the Liquids Gathering System (LGS) on the Pinedale Anticline. The LGS is an innovative technology that has minimized the number of storage tanks needed on the field and reduced the overall surface disturbance on the Mesa. The system has reduced noise, dust and air pollution by eliminating over 28,000 truck trips since installation in November 2005.

As a part of the proposal for year-round access, Ultra and Shell have committed to installing a LGS. If year-round access is approved in the Supplemental Environmental Impact Statement (SEIS) Record of Decision, we estimate elimination of 165,000 truck trips annually at peak production.

Community Information Line: 1-877-526-1007

On the Web: www.PinedaleSEIS.com

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FLANK LEASE SUSPENSIONS

Additionally, as a part of our long-term management plan we have voluntarily committed to postpone development on our flank leases in certain areas on the Anticline. This means that an estimated 50,000 acres outside of the core area of the Anticline will be temporarily undisturbed by development. These leases generally “flank” the east and west sides of the Anticline.

Voluntarily suspending these leases means that larger tracts of wildlife migration corridors will remain open during year-round access. We have been working with the Bureau of Land Management and the Wyoming Game & Fish Department to determine which leases should be suspended based on how beneficial they will be for wildlife and habitat conservation.

DRAFT SUPPLEMENTAL ENVIRONMENTAL IMPACT STATEMENT (DSEIS)

In August, the Bureau of Land Management (BLM) announced that they will be reviewing two new alternatives for the SEIS. The BLM has stated that the new alternatives will be based on comments received during the original Draft SEIS (DSEIS) from Wyoming Game & Fish, the public and the operators on the Anticline. Ultra, Shell and Questar submitted additional mitigation commitments in our letter to the BLM during the first comment period last spring. Suspending flank leases, establishing a \$36 million Mitigation and Monitoring Fund, implementing Performance Based Objectives for wildlife (wildlife matrix) and investing in emissions-reducing technology are just some of the ways we have committed to balancing energy development with environment and communities.

At this time we are unaware of when the BLM will release the latest DSEIS. However, soon after the DSEIS is released, the BLM will host a public hearing for the two new alternatives. This will give the public an opportunity to comment on how energy development will proceed on the Anticline. We hope that you will make your voice heard during the comment period for this public process.

THE MONTHS AHEAD

As always, we look forward to meeting with you to hear your comments or answer any questions about our year-round access proposal. We believe that year-round access with proper mitigation commitments can better balance all of the resources on the Anticline.

We know that responsible development takes communication and we want to hear from you! Please feel free to contact us at 1-877-526-1007 or visit us at www.PinedaleSEIS.com.

Happy Holidays and all the best for the New Year,

Handwritten signature of Bill Picquet in black ink.

Bill Picquet

Ultra Resources

Handwritten signature of John Bickley in black ink.

John Bickley

Shell Exploration & Production

Handwritten signature of Diana Hoff in black ink.

Diana Hoff

Questar Exploration and Production

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