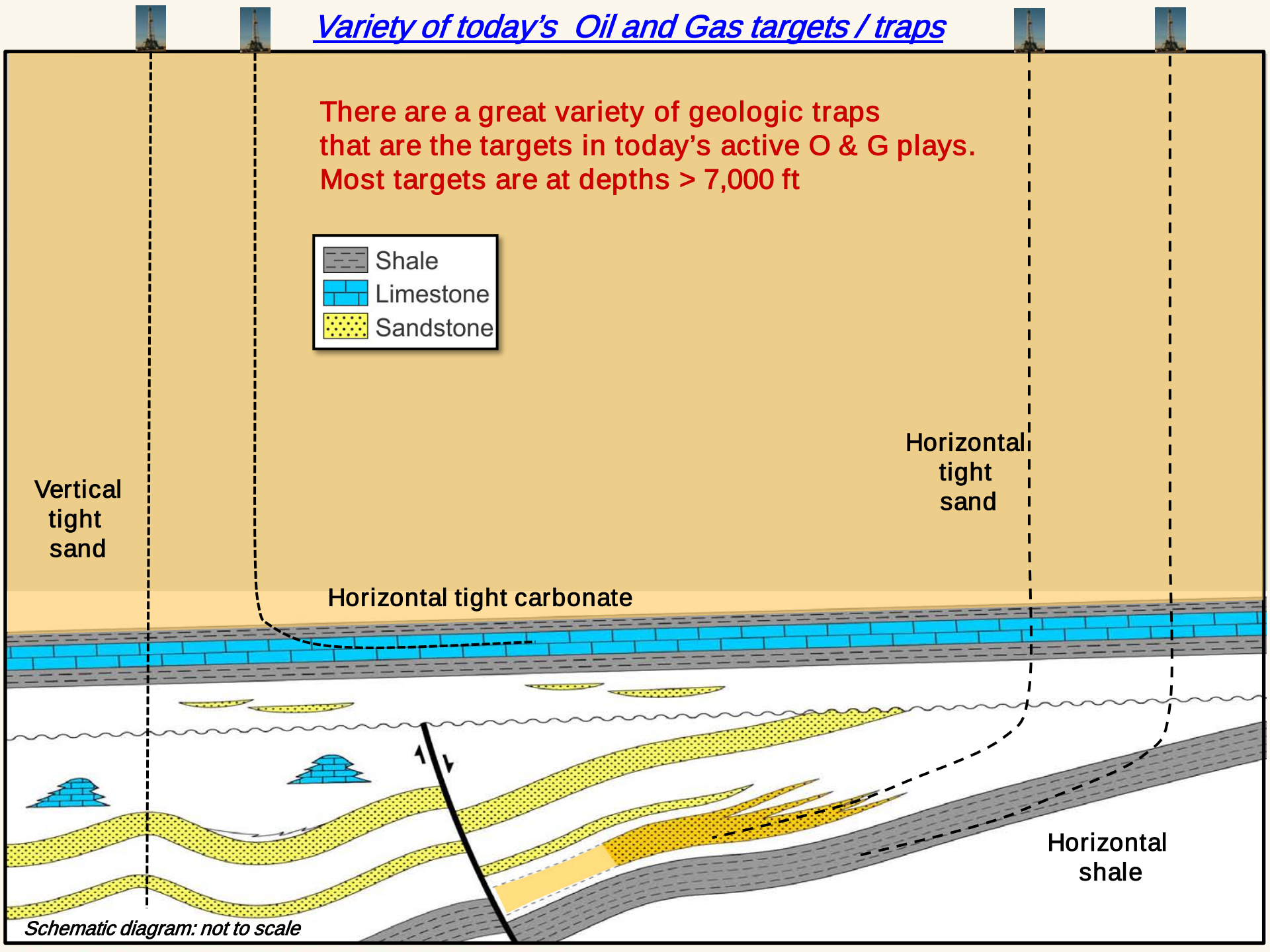
QEP Resources, Inc.

Chuck Stanley - Chairman, President and CEO

Variety of today's Oil and Gas targets / traps

There are a great variety of geologic traps
that are the targets in today's active O & G plays.
Most targets are at depths > 7,000 ft



What is Hydraulic Fracturing

- Injecting fluid and sand into a wellbore at high pressure to crack rock and enable production
- Without hydraulic fracturing, the vast majority of US gas production would be uneconomic leading to a greater reliance on gas imports and coal
- Process has been in use since 1947
- Over 1 million wells have been hydraulically fractured
- Fractures tend to propagate horizontally and meaningful vertical fractures are limited
- Typical fracturing fluid composition is approximately 90% water, 9.5% sand and 0.5% additives
- Multi-zone hydraulic fracturing combined with directional and horizontal drilling is driving growth in production

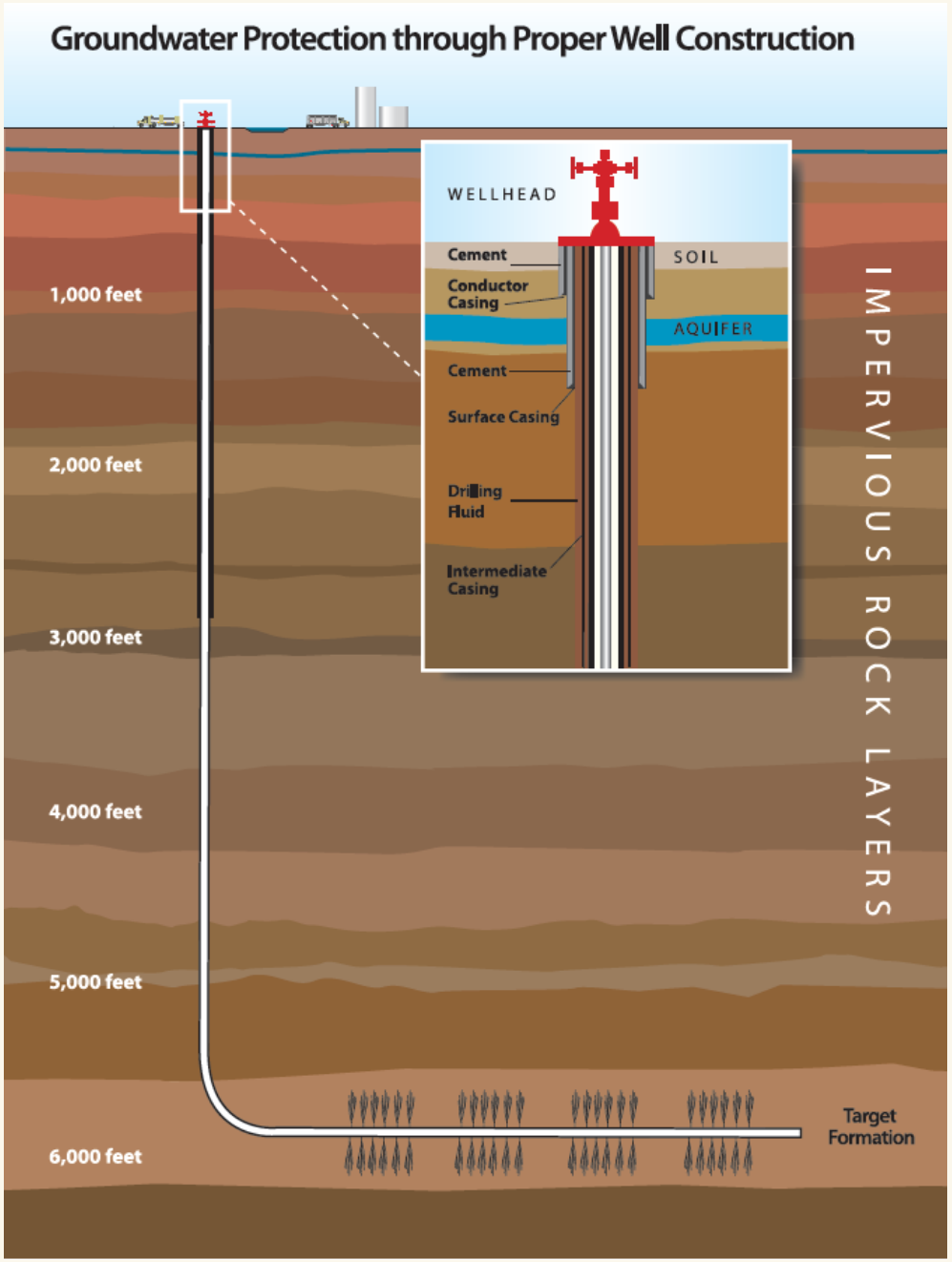
Source: FracFocus, API

Hydraulic Fracturing Risks/Impacts

- Well construction/integrity
- Water use
- Flowback water
- Surface disturbance
- Production operations
- Emissions and air quality
- Traffic and other human impacts

Risks: Well Construction vs. Hydraulic Fracturing

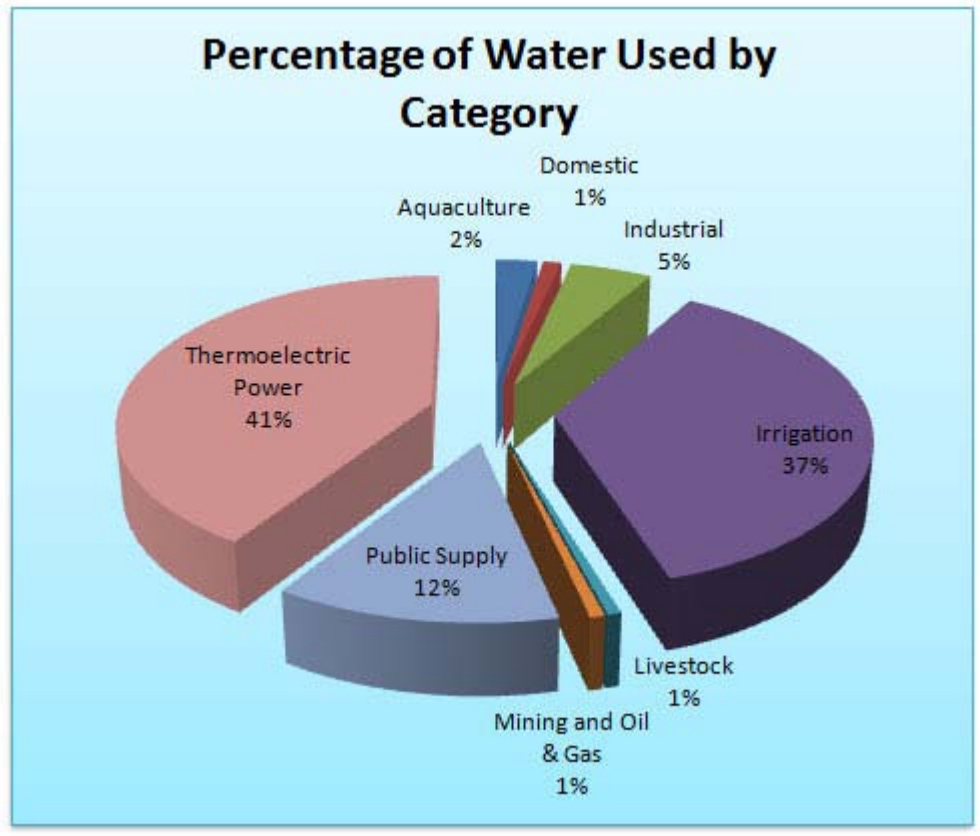
- Well construction consists of several distinct procedures, of which hydraulic fracturing is one
- Proper well construction is important for all of the procedures involved
  - Multiple casing layers
  - Cement
  - Cement bond logs
  - Seismic, core and log analysis to define confining layers
  - Microseismic studies
  - Pressure tests
  - Casing integrity surveillance



Source: API

Water Use in the United States

- Hydraulic fracturing water use seems large on a per-well basis
- Oil and gas water consumption is a very small part of total water use
- Mitigation:
  - Reduce water requirements
  - Use non-potable water
  - Recycle produced water



Source: USGS - Estimated Use of Water in the United States in 2005

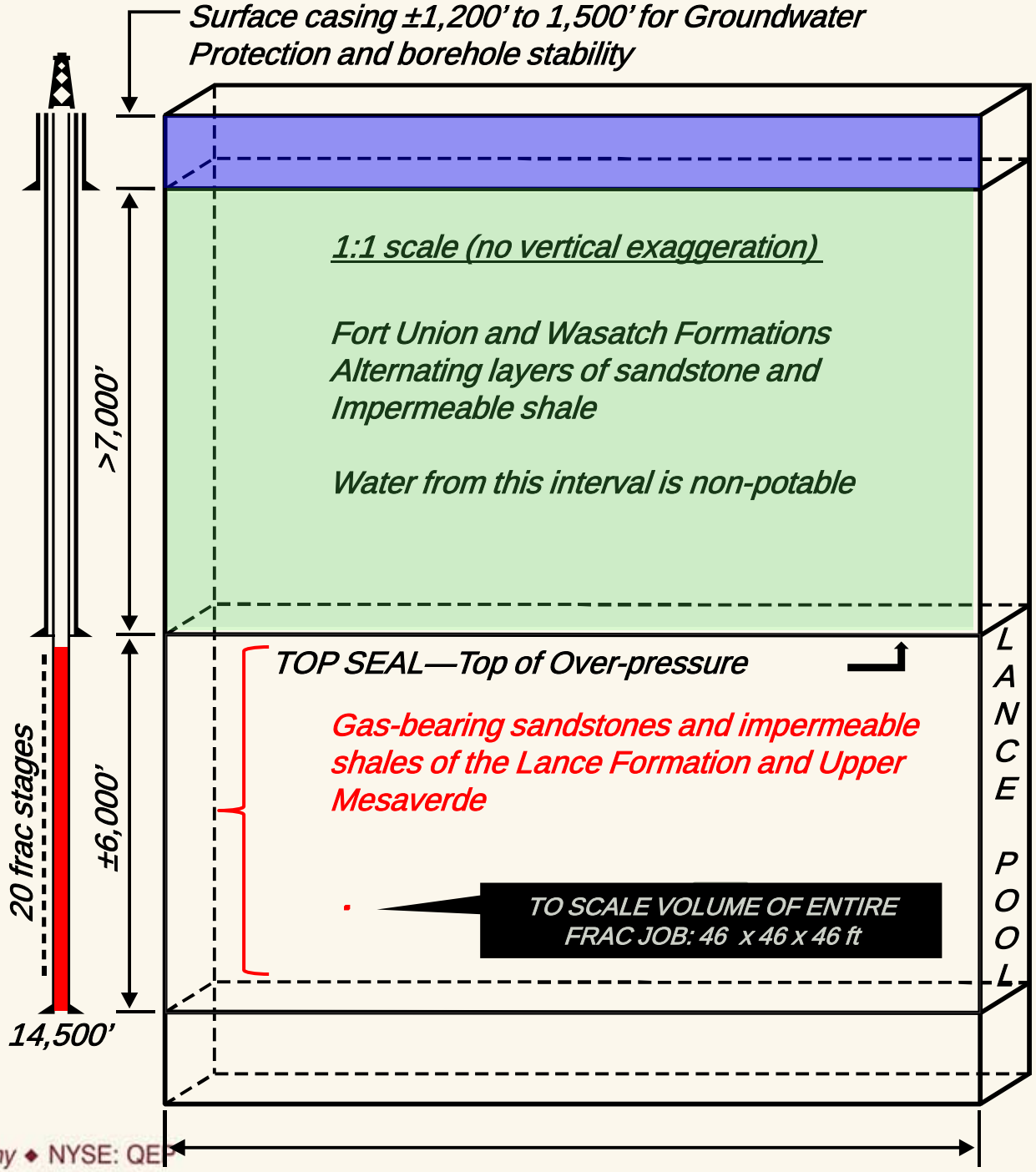
Pinedale Well:

- 3 layers of casing through aquifer
- 700,000 lbs. of sand TOTAL
- Total frac volume can be represented by a cube 46' on all sides (approx one Olympic swimming pool)

46 ft

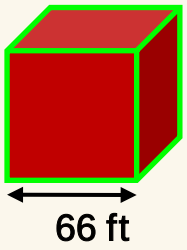
- For a 20-stage frac, each stage volume can be represented by a cube 17' on all sides

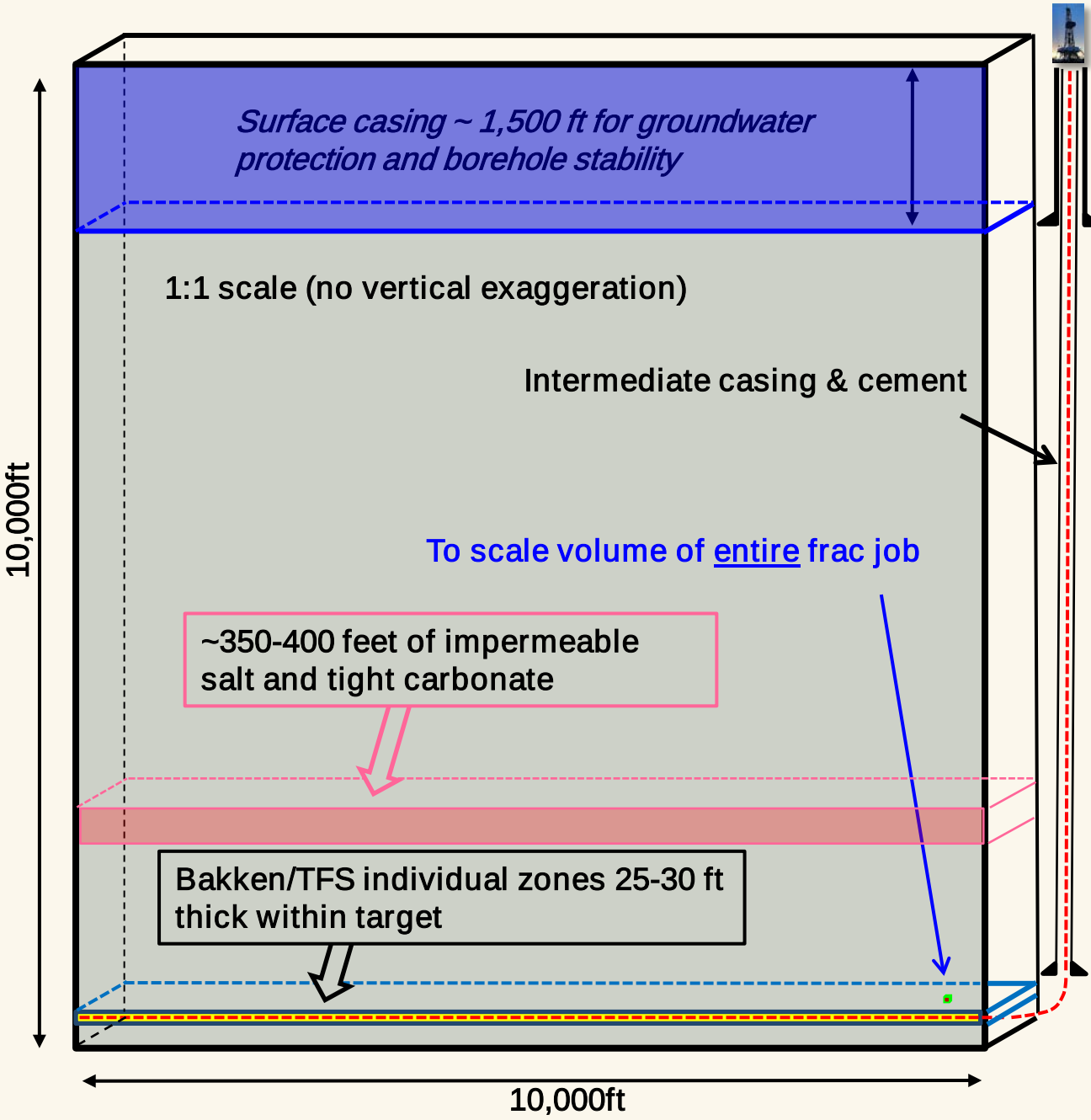
17 ft



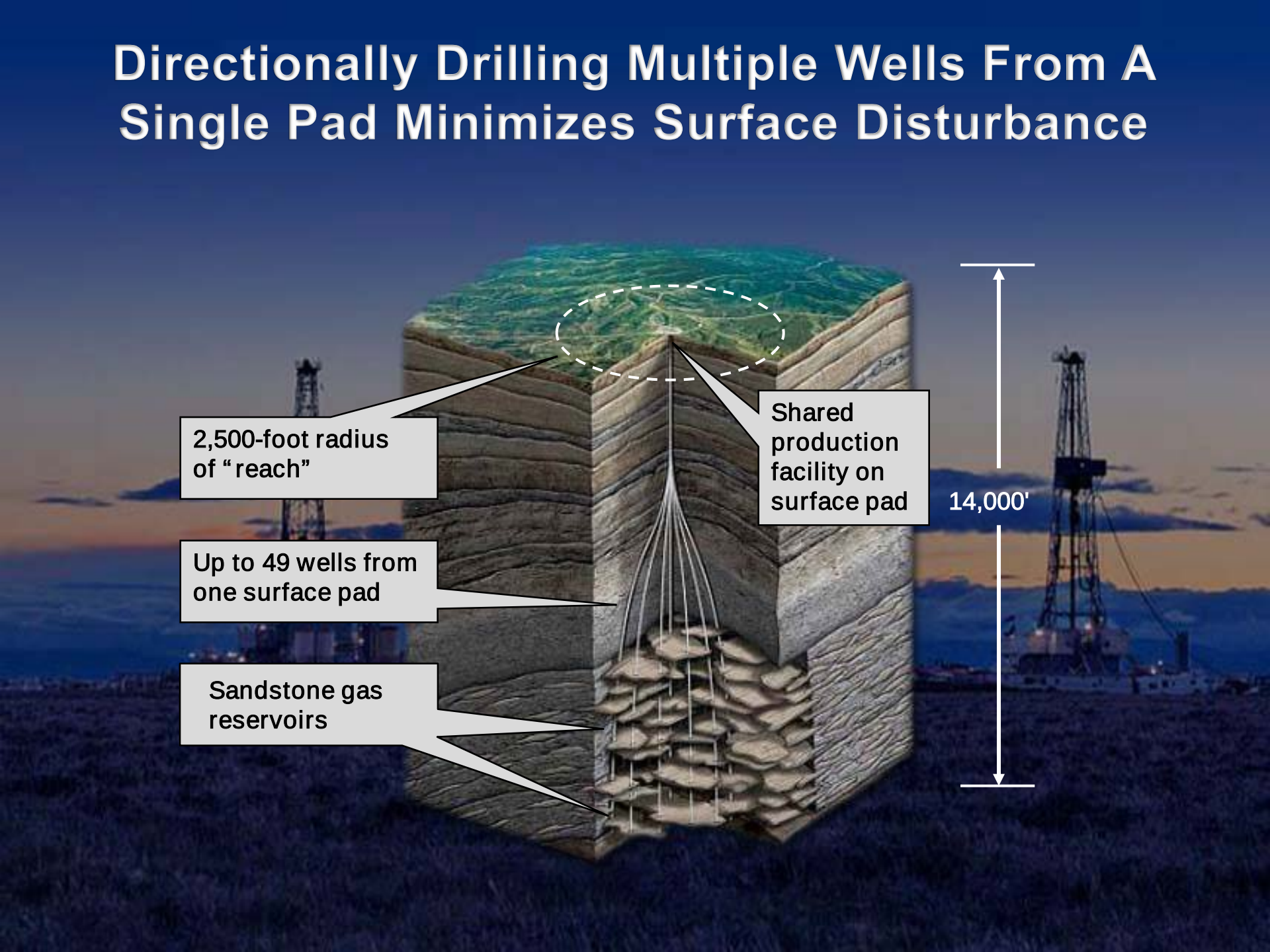
Bakken Well:

- Horizontal design
- 3.4 MM lbs. of sand
- Total frac volume can be represented by a cube 66’ on all sides





Directionally Drilling Multiple Wells From A Single Pad Minimizes Surface Disturbance



Pinedale well pod construction


Conductor and surface pipe


Cellar construction


Installing subsurface wellheads


Grating over subsurface wellheads

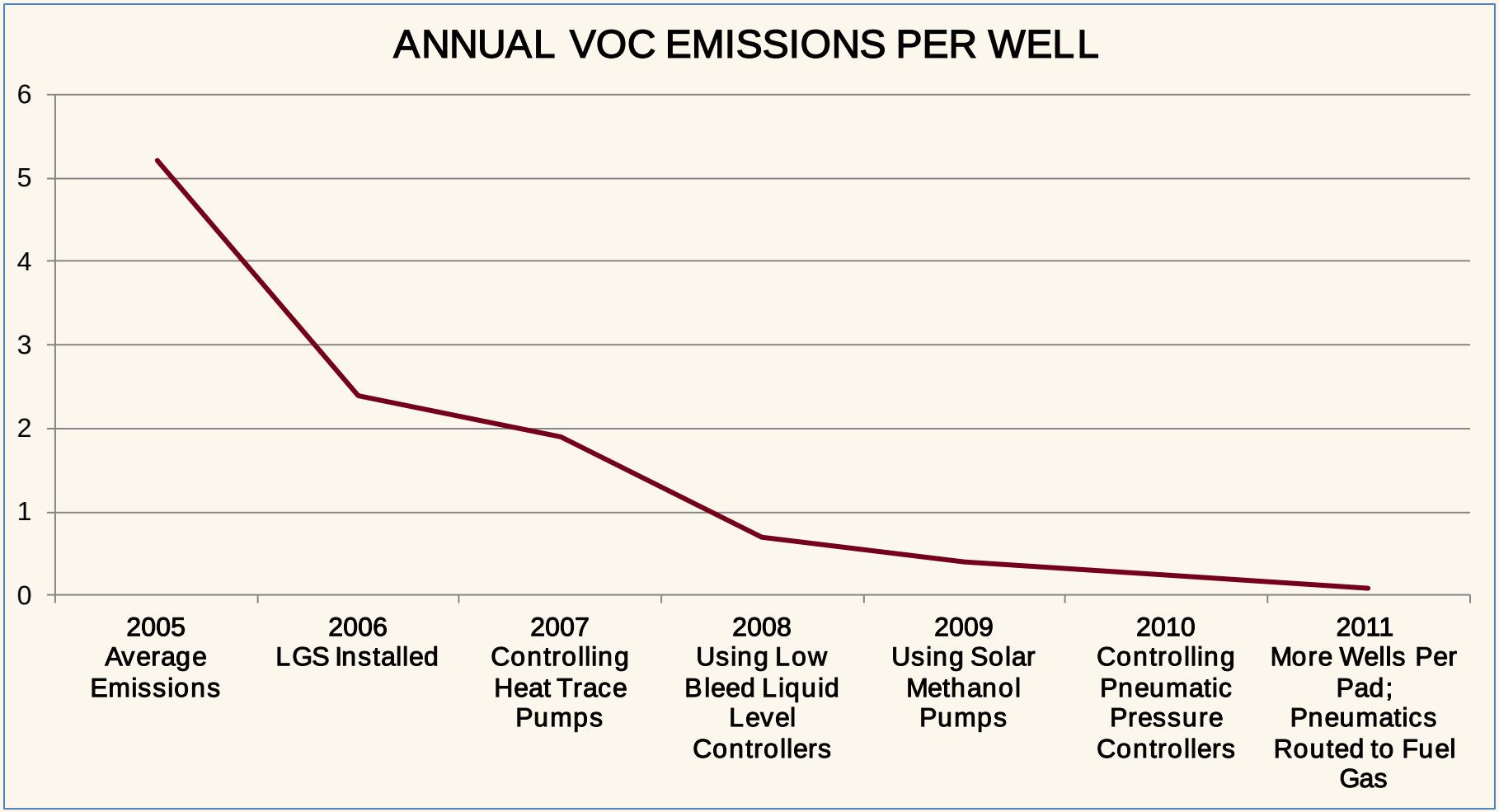
Reducing Traffic and Human Activity

- Liquids Gathering System
  - Eliminates 165,000 tanker truck trips per year at peak production
  - QEP removed 120 storage tanks & avoided installing another 250 tanks
  - Reduced tank VOCs by over 90%
- Remote monitoring of all wells & facilities since 2003
- Bussing of winter crews since 2003

Drilling and Completion Mitigations

- Tier II engines on all QEP drilling rigs since 2006
- Implemented Ultra Low Sulfur Diesel 4 years before required by EPA
- Converted rig boilers from diesel to natural gas in 2006
- Completions
  - 99% flare-less completions
  - Tier II engines on frac truck engines
- Production
  - Reduced methane emissions through pneumatic (air) valves
  - Liquids Gathering System
  - Initiated controls on single well pads and other systems
  - Dust suppression

QEP ENERGY
VOLATILE ORGANIC COMPOUND (VOC) PRODUCTION EQUIPMENT EMISSION TRENDS



Benefits of Hydraulic Fracturing

- Horizontal and directional development
  - Less wells required
  - Reduced surface disturbance
- Improved economics lowers supply cost
- Economic benefit from domestic development activity
  - Consumers benefit from lower energy cost
  - Improves global competitiveness in manufacturing and other industries
  - Reduced energy imports and improves trade balance
- Lower carbon footprint than coal or oil