



This issue

Market Summary

Pricing Curves

Weather

WWW.SGES.COM

Peter Vint

Director Marketing

303.243.3465

Peter.Vint@SourceGas.com

Jay Spence

Manager Trading

303.243.3580

Jason.Spence@SourceGas.com

Gary Clonch

Sr Sales Representative

402.463.2147

Gary.Clonch@SourceGas.com

Carol Simmons

Mgr. Sales & Marketing

308.865.6370

Carol.Simmons@SourceGas.com

Diana Oswald

Sr. Quantitative Analyst

303.243.3472

Diana.Oswald@SourceGas.com

Brendan Muller

Gas Marketing Rep

303.243.3581

Brendan.Muller@SourceGas.com

Chris Horner

Accounting

303.243.3480

Chris.Horner@SourceGas.com

Rockies Market Summary

The NYMEX continues to be volatile. While natural gas storage levels remain abnormally high, a number of other fundamentals such as reduced production, increased demand, transportation capacity issues, and unpredictable weather have created unexpected price volatility.

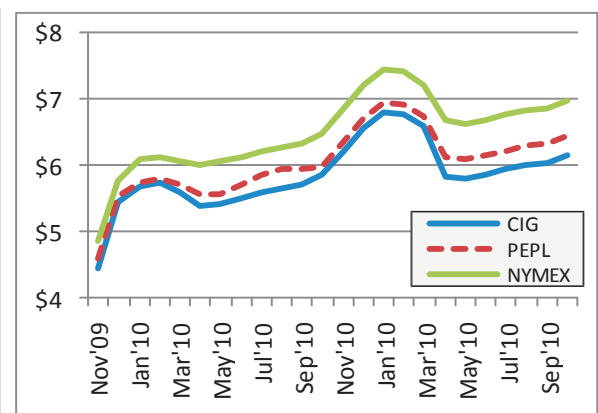
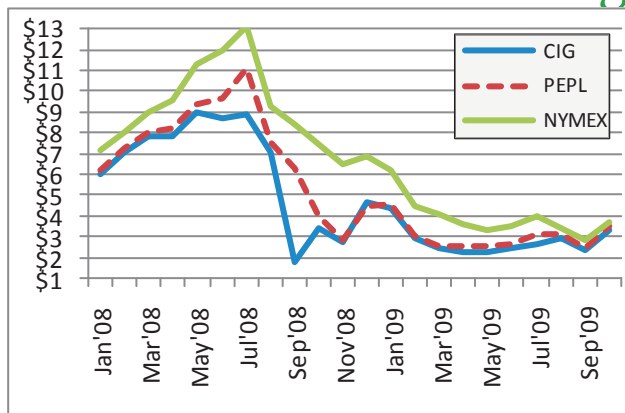
On the front range of Colorado, Xcel Energy has issued numerous Operational Flow Orders (OFO) over the past few weeks, restricting deliveries into the pipeline. If take-away capacity in the Rockies producing regions continues to be restricted, with new injections limited due to already high storage levels, further reductions in production or shut-ins could result, tipping the balance of supply and demand the other direction. Once temperatures drop to more seasonal levels in the consuming regions, the increased demand should allow for new injections, and may provide some relief for production lags, while hopefully maintaining sufficient storage levels going into winter.

News this week of steadily rising industrial activity across the US could be signaling a return to price stability, while the underlying strength of the market still seems to indicate an overall upward trend in natural gas prices. At one point, the November contract attempted to go below the previously established \$4.40/Dth mark, but all that could be managed was a dip to \$4.355 before the contract price jugged back up to \$4.85. Also adding to the demand for natural gas are the near record number of off-line nuclear plants in the large consuming regions of the east, where gas-fueled power generation must pick up the slack.

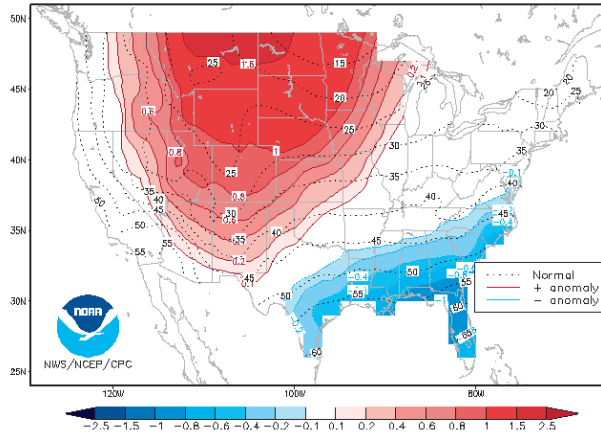
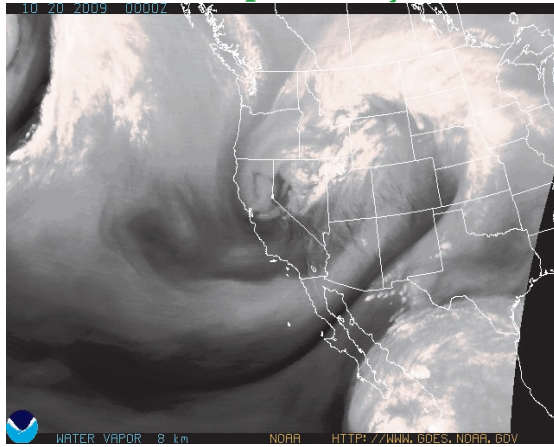
On Colorado's western slope, good news for local gas consumers is that Rocky Mountain Pipeline has recently released changes to their tariff allowing transport customers to hold their own capacity, thereby opening the market to competition. This will be a good move towards price transparency and allow end-users the freedom of choosing their own supply arrangements.

For additional information and price quotes please contact Jay Spence or Gary Clonch.

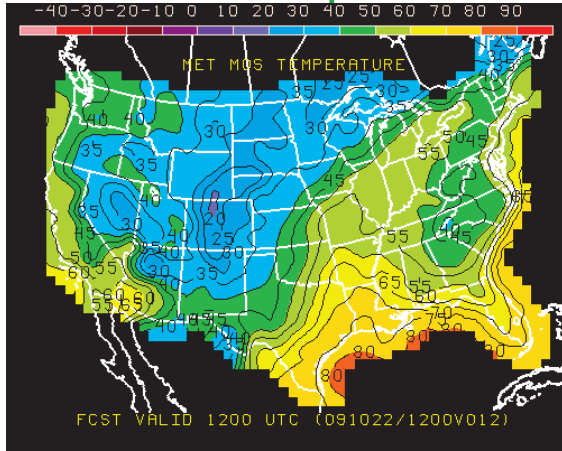
Pricing Curves



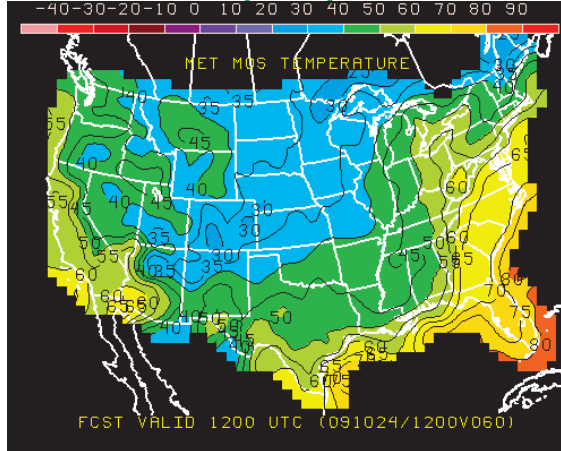
Water Vapor Analysis



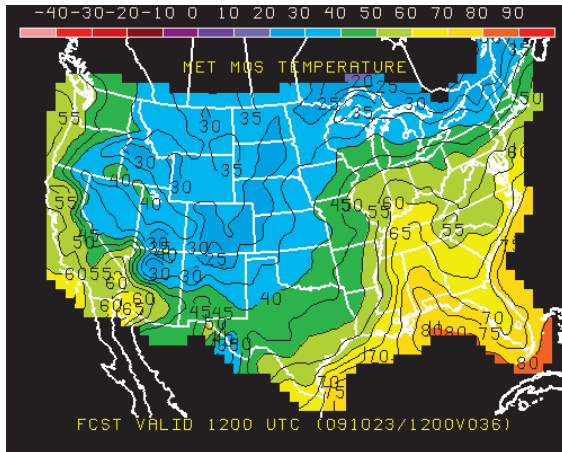
October 22 Temperatures



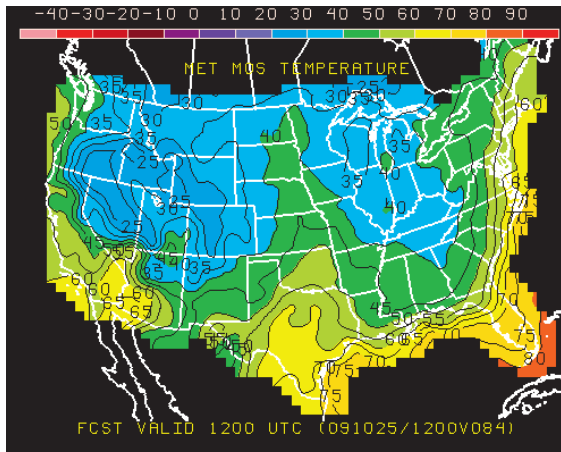
October 24 Temperatures



October 23 Temperatures



October 25 Temperatures



Denver Forecast

Today - Partly sunny, with a high near 49. Calm wind becoming south southeast around 6 mph.

Tonight - Mostly cloudy, with a low around 30. South southeast wind between 3 and 7 mph.

Friday - Partly sunny, with a high near 55. South wind around 5 mph becoming calm.

Friday Night - Partly cloudy, with a low around 35. South wind between 5 and 9 mph.

Saturday - Mostly sunny, with a high near 64. Light wind becoming west northwest between 10 and 13 mph.

Saturday Night - A slight chance of rain and snow showers. Mostly cloudy, with a low around 34. Chance of precipitation is 10%.

Sunday - A slight chance of rain and snow showers. Mostly cloudy, with a high near 54. Chance of precipitation is 10%.

Sunday Night - Partly cloudy, with a low around 34.

Monday - Mostly sunny, with a high near 61.

Monday Night - Partly cloudy, with a low around 32.

Tuesday - A slight chance of rain and snow showers. Mostly cloudy, with a high near 52.

Tuesday Night - A slight chance of rain and snow. Mostly cloudy, with a low around 32.

Wednesday - A slight chance of rain and snow. Mostly cloudy, with a high near 45.

This communication is provided for information and discussion purposes only. It does not constitute an offer or solicitation to purchase or sell any financial instruments or products. The information contained in this communication is based on generally available data and, although obtained from sources believed by SGES to be reliable, its accuracy and completeness is not guaranteed. This communication is not intended to forecast future events. Past performance is not a guarantee or indication of future results. Any prices provided herein are indicative only and do not represent firm quotes as to either price or quantity.