

**Western Gas Resources, Inc.
Audit Committee Charter**

Approved on March 10, 2003

I. Purpose

The Audit Committee (the "Committee") is a committee of the Western Gas Resources, Inc. (the "Corporation") Board of Directors (the "Board"), which provides intersection between the Corporation's management, independent auditors, internal auditors and the Board. The primary purpose and duties of the Committee are to:

- (1) Serve as an independent and objective party that assists the Board in fulfilling its oversight responsibilities of the following matters:
 - i. the integrity of the financial reports and other financial information provided by the Corporation to any governmental body or to the public;
 - ii. the Corporation's compliance with legal and regulatory requirements;
 - iii. the Corporation's independent auditors' qualifications and independence; and
 - iv. the performance of the Corporation's internal audit function and independent auditors;
- (2) Prepare a report of the Committee to the Corporation's stockholders, which will be included in the Corporation's annual proxy statement;
- (3) Select the Corporation's independent auditors and approve any non-audit relationship with the Corporation's independent auditors; and
- (4) Provide an open avenue of communication among the independent auditors, financial and senior management, the internal audit department, and the Board of Directors.

II. Composition

The Committee shall be comprised of three or more directors as determined by the Board, and upon recommendation of the Nominating and Governance Committee, each of whom shall be independent directors, and free from any relationship that, in the opinion of the Board, would interfere with the exercise of his or her independent judgment as a member of the Committee. All determinations of independence shall be consistent and in compliance with the rules and regulations of the New York Stock Exchange (the "NYSE") and Securities and Exchange Commission (the "SEC"), including, in particular, those promulgated pursuant to the Sarbanes - Oxley Act of 2002 (the "Act"). All members of the Committee shall be financially literate, and at least one member of the Committee shall qualify as an "audit committee financial expert," as such term is defined in the rules and regulations promulgated by the SEC pursuant to the Act.

The members of the Committee shall be elected by the Board at the Corporation's annual organizational meeting of the Board, and shall serve until their successors have been duly elected and qualified. The members of the Committee will designate a chairperson by majority vote of the full Committee membership. The only compensation that a member of the Committee may receive from the Corporation is director fee compensation including committee fees.

III. Meetings

The Committee shall meet at least four times annually, or more frequently as circumstances dictate. As part of its job to foster open communication, the Committee should meet periodically, as it deems necessary, in separate private sessions with each of management, the director of the internal audit department and the independent auditors to discuss any matters that the Committee or any of these groups believes should be discussed and to review the quality of the Corporation's financial reporting and legal and regulatory compliance and the performance of its internal audit department and external auditors.

IV. Responsibilities and Duties

The following are within the authority of the Committee:

General

- Review and update the Committee's charter, as conditions indicate.
- Select and discharge, in its sole authority, the independent auditors.
- Review and, in its sole authority approve, in advance, the services, fees and other compensation to be provided by, and paid to, the independent auditors for both audit and permitted non-audit services. For these purposes, the chairperson, when authorized by the Committee, may act on behalf of the Committee, and shall report to the Committee regarding these matters at the periodic meetings of the Committee.
- Instruct the independent auditors that they are ultimately accountable to the Board of Directors and the Committee, and that the Committee is responsible for the selection, evaluation and termination of the Corporation's independent auditors.
- Set clear hiring policies for employees or former employees of the Corporation's independent auditors.
- Establish procedures to receive and address complaints regarding accounting, internal controls and auditing matters, including the establishment of procedures to receive employee's confidential, anonymous submissions of concerns regarding accounting or auditing matters.
- Report Committee activities conducted and conclusions reached to the Board.
- As it deems appropriate, and without the need for Board approval, engage and obtain the advice of outside legal, accounting and other experts to assist it in performing its duties.
- Engage in any other activities consistent with this charter, the Corporation's By-laws and governing law, as the Committee or the Board deems necessary or appropriate.
- Evaluate annually the Committee's performance.

Periodic Inquiries

- Review with management and the independent auditors the quality of the Corporation's annual and quarterly financial statements and significant accounting or financial reporting developments that may have a bearing on the Corporation.
- Review the activities, organizational structure, and qualifications of the internal audit department.
- Review periodic status reports of the results of the internal audit department's activities.
- Review, and accept if appropriate, the annual audit plan of, and the year-end results of the audit by, the Corporation's independent auditors.
- Review with management and the independent auditors and, if appropriate, the director of the Corporation's internal auditing department, the Quarterly Report on Form 10-Q and Annual Report on Form 10-K, including the Corporation's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations," and any major issues related thereto, prior to their filing with the SEC. Before final approval, review drafts of the full Annual Report.
- Review and discuss with management on a periodic basis the Corporation's earnings press releases, financial information and earnings guidance provided to the market and rating agencies. Such reviews and discussions will be made in advance of such disclosure or presentations.
- Discuss with management on a periodic basis the Corporation's exposure to risk, major financial risk exposures, guidelines and policies to govern assessment and management of this risk and the steps being taken to monitor and control such exposures.
- Review periodically with the independent auditors any relationship or services that may impact the objectivity and independence of such independent auditors.
- Periodically consult with the independent auditors about internal controls and the scope of their audit procedures and areas of emphasis.
- Periodically review the audit and non-audit services performed by the independent auditors.
- Review the openness of communication between the Corporation's internal audit department and the independent auditors.
- Review with the independent auditors any audit problems or difficulties and management's response, including any significant disagreement among management and the independent auditors or the internal audit department in connection with the preparation of the financial statements.
- Review, with the Corporation's counsel and outside counsel, when appropriate, any legal matter that could have a significant impact on the Corporation's financial statements, including any breaches of securities laws or fiduciary duties.

- Inquire of the Corporation's senior management regarding (i) significant deficiencies in the design or operation of the Corporation's internal controls which could adversely affect the issuer's ability to record, process, summarize, and report financial data and (ii) any fraud, whether or not material, involving management or other employees who have a significant role in the issuer's internal controls.

Reviews and Reporting

- At least annually, receive and review a formal report from the independent auditors describing (i) the independent auditors' internal quality-control procedures; (ii) any material issues raised by the most recent internal quality-control review or peer review of the independent auditors; (iii) any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried on by the firm, and any steps taken to deal with any such issues; and (iv) all relationships between the independent auditors and the Corporation. The Committee should present its conclusions with respect to the above matters to the Board.
- At least annually obtain from the independent auditors a report, and review this report with the Corporation's management, the Corporation's independent auditors and, if appropriate, the director of the Corporation's internal audit department setting forth: (1) all critical accounting policies and practices utilized by the Corporation; (2) all alternative treatments of financial information within generally accepted accounting principles that have been discussed with management officials of the Corporation, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent auditors; and (3) other material written communications between the independent auditors and the management of the Corporation, such as any management letter or schedule of unadjusted differences.
- Consider any reports or communications (and management's and/or the internal audit department's responses thereto) submitted to the audit committee by the independent auditors required by or referred to in Statement of Auditing Standards No. 61 (as codified by AU Section 380), as may be modified or supplemented.
- Prepare a report to the Corporation's stockholders, to be included in the annual proxy statement, stating, among other things, that the Committee has reviewed and discussed with management and the independent auditors the Corporation's audited financial statements and discussed with the independent auditors both independence and the matters required to be discussed by Statement on Auditing Standards No. 61, Communication with Audit Committees, as amended, by the Auditing Standards Board of the American Institute of Certified Public Accountants and, based upon these discussions, recommend in its report to stockholders whether the Corporation's audited financial statements should be included in the Corporation's Annual Report on Form 10-K.
- Attempt to resolve all disagreements between the Corporation's independent auditors and management regarding financial reporting.