

Adopted January 14, 2005, and amended November 17, 2005

## Corporate Governance Guidelines of Western Gas Resources, Inc.

The following Corporate Governance Guidelines have been adopted by the Board of Directors (the "Board") of Western Gas Resources, Inc. (the "Company") to assist the Board in the exercise of its responsibilities. These Corporate Governance Guidelines reflect the Board's commitment to monitor the effectiveness of policy and decision making both at the Board and management level, with a view to enhancing long-term stockholder value. These Corporate Governance Guidelines are not intended to change or interpret any Federal or state law or regulation, including the State of Delaware, or the Certificate of Incorporation or By-laws of the Company. These Corporate Governance Guidelines are subject to modification from time to time by the Board.

### THE BOARD

#### Role of Directors

The business and affairs of the Company shall be managed by or under the direction of the Board. A director is expected to spend the time and effort necessary to properly discharge such director's responsibilities. Accordingly, a director is expected to regularly attend meetings of the Board and committees on which such director sits, and to review prior to meetings material distributed in advance for such meetings. A director who is unable to attend a meeting (which it is understood will occur on occasion) is expected to notify the Chairman of the Board or the Chairman of the appropriate committee in advance of such meeting.

#### The Board's Goals

The Board's goal is to build long-term value for the Company's stockholders and to assure the vitality of the Company for its customers, employees and the other individuals and organizations who depend on the Company.

To achieve these goals the Board will monitor both the performance of the Company (in relation to its goals, strategy and competitors) and the performance of the Chief Executive Officer, and offer him or her constructive advice and feedback. When it is appropriate or necessary, it is the Board's responsibility to remove the Chief Executive Officer and to select his or her successor.

#### Selection of the Chairman of the Board

The Board does not require the separation of the offices of the Chairman of the Board and the Chief Executive Officer. The Board shall be free to choose its Chairman of the Board in any way that it deems best for the Company at any given point in time.

## Size of the Board

The Board believes that it should generally have no fewer than 5 and no more than 10 directors. This range permits diversity of experience without hindering effective discussion or diminishing individual accountability. The size of the Board could, however, be increased or decreased if determined to be appropriate by the Board. For example, it may be desirable to increase the size of the Board in order to accommodate the availability of an outstanding candidate for director.

## Selection of New Directors

The Board shall be responsible for nominating members for election to the Board and for filling vacancies on the Board that may occur between annual meetings of stockholders. The Nominating and Corporate Governance Committee is responsible for identifying, screening, and recommending candidates to the Board for Board membership. When formulating its Board membership recommendations, the Nominating and Corporate Governance Committee shall also consider advice and recommendations from others as it deems appropriate. No person shall be eligible for nomination if such person is or will be 72 years of age or older upon election or filling the vacancy, as applicable.

## Board Membership Criteria

Nominees for director shall be selected on the basis of, among other things, experience, knowledge, skills, expertise, integrity, diversity, ability to make independent analytical inquiries, understanding of the Company's business environment and willingness to devote adequate time and effort to Board responsibilities.

The Nominating and Corporate Governance Committee shall be responsible for assessing the appropriate balance of criteria required of Board members.

## Other Public Company Directorships

The Company does have a policy limiting the number of other public company boards of directors upon which a director may sit to 3. The Nominating and Corporate Governance Committee shall consider the number of other public company boards and other boards (or comparable governing bodies) on which a prospective nominee is a member.

## Independence of the Board

The Board shall be comprised of a majority of directors who qualify as independent directors ("Independent Directors") under the listing standards of the New York Stock Exchange (the "NYSE"). No more than 1 management executive may serve on the Board at the same time. No more than 2 ex-presidents or CEO's may serve on the Board at the same time after the May, 2003 annual meeting.

The Board shall review annually the relationships that each director has with the Company (either directly or as a partner, shareholder or officer of an organization that has a relationship with the Company). Following such annual review, only those directors who the Board affirmatively determines have no relationship with the Company (either directly or as a partner, shareholder or office of an organization that has a relationship with the Company) will be considered Independent Directors, subject to additional qualifications prescribed under the listing standards of the NYSE or under applicable law. The Board may adopt and disclose categorical standards to assist it in determining director independence.

### Lead Independent Director

If the Chairman of the Board is not an Independent Director, the Company's Independent Directors will designate one of the Independent Directors on the Board to serve as a lead Independent Director (the "Lead Independent Director"). If the Chairman of the Board is an Independent Director then he or she may serve as Lead Independent Director. The Lead Independent Director's duties will include coordinating the activities of the Independent Directors, coordinating the agenda for and moderating sessions of the Board's Independent Directors and facilitating communications between the other members of the Board.

In performing the duties described above, the Lead Independent Director is expected to consult with the Chairmen of the appropriate Board committees and solicit their participation in order to avoid diluting the authority or responsibilities of such committee Chairmen.

### Directors Who Change Their Present Job Responsibility

Directors who are also employees of the Company shall resign from the Board at the same time they leave employment with the Company.

The Board does not believe that non-employee directors who retire or change the position they held when they became a member of the Board should necessarily leave the Board.

### Director Tenure

In connection with each director nomination recommendation, the Nominating and Corporate Governance Committee shall consider the issue of continuing director tenure and take steps as may be appropriate to ensure that the Board maintains an openness to new ideas and a willingness to critically re-examine the status quo. An individual director's renomination is dependent upon such director's performance evaluation, as well as a suitability review, each to be conducted by the Nominating and Corporate Governance Committee in connection with each director nomination recommendation.

No director may be re-nominated to a position on the Board if, on the date such director's term expires, the director will be 72 years of age or older; provided, however, that any person who is serving as a director of the Board on November 17, 2005, and who is the age of 72 or older on such date or who reaches the age of 72 thereafter while serving on the Board, shall be eligible for re-nomination for and to serve one further term after such director's then current term expires.

### Stock Ownership or Options

Within one year of becoming a Director, the Director will either own 5000 shares of Western's common stock or have an option to purchase such 5000 shares within a specified time period or his term.

### Board Compensation

A director who is also an officer of the Company shall not receive additional compensation for such service as a director.

The Company believes that compensation for non-employee directors should be competitive and may encourage increased ownership of the Company's stock through the payment of a portion of director

compensation in Company stock, options to purchase Company stock or similar compensation. The Compensation Committee will periodically review the level and form of the Company's director compensation, including how such compensation relates to director compensation of companies of comparable size, industry and complexity. Such review will also include a review of both direct and indirect forms of compensation to the Company's directors. Changes to director compensation will be proposed to the full Board for consideration. The Company will not make substantial charitable donations to any organization when a director is known to have any relationship with that charity.

Director's fees (including any additional amounts paid to chairs of committees and to members of committees of the Board) are the only compensation a member of the Audit Committee may receive from the Company.

#### Separate Sessions of Non-Management Directors

The Non-Management Directors of the Company shall meet in executive session without management on a regularly scheduled basis, but no less than four times a year. The Lead Independent Director shall preside at such executive sessions, or in such director's absence, another Independent Director designated by the Lead Independent Director shall preside at such executive sessions.

Any interested parties desiring to communicate with the Lead Independent Director and the other independent or Non-Management directors regarding the Company may directly contact such directors in writing.

#### Self-Evaluation by the Board

The Nominating and Corporate Governance Committee will sponsor an annual self-assessment of the Board's performance as well as the performance of each committee of the Board, the results of which will be discussed with the full Board and each committee. This self-assessment and committee assessment should be completed each fiscal year. The assessment should include a review of any areas in which the Board or management believes the Board can make a better contribution to the Company. The Nominating and Corporate Governance Committee will utilize the results of this self-evaluation process in assessing and determining the characteristics and critical skills required to prospective candidates for election to the Board and making recommendations to the Board with respect to assignments of Board members to various committees.

#### Strategic Direction of the Company

Normally it is management's job to formalize, propose and implement strategic choices and the Board's role to approve strategic direction and evaluate strategic results.

However, as a practical matter, the Board and management will be better able to carry out their respective strategic responsibilities if there is an ongoing dialogue among the Chief Executive Officer, other members of top management and the Board. To facilitate such discussions, members of senior management who are not directors may be invited to participate in Board meetings when appropriate.

In the event the CEO/President of the Company receives an expression of serious interest in a corporate acquisition or merger from the Chairman, President or CEO of another company, he will immediately refer the matter to the Chairman of the Company. If the Chairman receives such an expression directly or from the CEO/President, he will immediately contact all members of the Executive Committee and the CEO/President of the Company. The Committee and Chairman will assess the situation and decide on the timing and procedure to notify the rest of the Board of Directors.

## Board Access to Management

Board members shall have access to the Company's management and, as appropriate, to the Company's outside advisors. Board members shall coordinate such access through the Chief Executive Officer and Board members will use judgment to assure that this access is not distracting to the business operation of the Company.

## Attendance of Management Personnel at Board Meetings

The Board encourages the Chief Executive Officer to bring members of management from time to time into Board meetings to (i) provide management insight into items being discussed by the Board which involve the manager; (ii) make presentations to the Board on matters which involve the manager; and (iii) bring managers with significant potential into contact with the Board. Attendance of such management personnel at Board meetings is at the discretion of the Board.

## Board Materials Distributed in Advance

Information and materials that are important to the Board's understanding of the agenda items and other topics to be considered at a Board meeting should, to the extent practicable, be distributed sufficiently in advance of the meetings to permit prior review by the directors. In the event of a pressing need for the Board to meet on short notice or if such materials would otherwise contain highly confidential or sensitive information, it is recognized that written materials may not be available in advance of the meeting.

## Board Interaction with Institutional Investors, Analysts, Press and Customers

The Board believes that management generally should speak for the Company. It is suggested that each director shall refer all inquiries from institutional investors, analysts, the press or customers to the Chief Executive Officer or his or her designee.

## Board Orientation and Continuing Education

The Company shall provide new directors with a director orientation program to familiarize such directors with, among other things, the Company's business, strategic plans, significant financial, accounting and risk management issues, compliance programs, conflicts policies, code of business conduct and ethics, corporate governance guidelines, principle officers, internal auditors and independent auditors. Each director is expected to participate in continuing education programs annually in order to maintain the necessary level of expertise to perform his or her responsibilities as a director.

## BOARD MEETINGS

### Frequency of Meetings

There shall be 6 regularly scheduled meetings of the Board each year. At least one regularly scheduled meeting of the Board shall be held quarterly.

## COMMITTEE MATTERS

### Number and Names of Board Committees

The Company shall have 4 standing committees: Audit, Nominating and Corporate Governance, Compensation and Executive. The purpose and responsibilities for at least the Audit, Nominating and Corporate Governance and Compensation committees shall be outlined in committee charters adopted by the Board. The Board may determine to form ad hoc committees from time to time, and determine the composition and areas of competence of such committees and term.

#### Independence of Board Committees

Each of the Audit Committee, the Nominating and Corporate Governance Committee and the Compensation Committee shall be composed entirely of Independent Directors satisfying applicable legal, regulatory and stock exchange requirements necessary for an assignment to any such committee. All other standing Board committees shall be chaired by Independent Directors, except that the Board may determine that the Executive Committee shall be chaired by an independent or non-independent director, but not by a management director.

#### Assignment and Rotation of Committee Members

The Nominating and Corporate Governance Committee shall be responsible for making recommendations to the Board with respect to the assignment of Board members to various committees. After reviewing the Nominating and Corporate Governance Committee's recommendations, the Board shall be responsible for appointing the members to the committees on an annual basis. Each committee shall elect its chairman.

The Nominating and Corporate Governance Committee shall annually review the Committee assignments and members with a view toward balancing the benefits derived from continuity against the benefits derived from the diversity of experience and viewpoints of the various directors.

### LEADERSHIP DEVELOPMENT

#### Selection of the Chief Executive Officer

The Board shall be responsible for identifying potential candidates for, and selecting, the Company's Chief Executive Officer. In identifying potential candidates for, and selecting, the Company's Chief Executive Officer, the Board shall consider, among other things, a candidate's experience, understanding of the Company's business environment, leadership qualities, knowledge, skills, expertise, integrity, and reputation in the business community.

#### Evaluation of Chief Executive Officer

The Board will provide the Chief Executive Officer with an annual performance review for the prior year at the second regularly scheduled meeting of the Board each fiscal year. The following steps will be utilized to carry out this review:

- \* Each non-management director will provide his or her assessment of the Chief Executive Officer's performance in writing to the Nominating and Corporate Governance Committee. These assessments should include the director's appraisal of:
  - The Company's performance and the Chief Executive Officer's contribution to it, and the Company's own strategic goals;

- Goals of the Company and achievement thereof;
- Other aspects of the Chief Executive Officer's performance which the non-management director deems relevant.

The Nominating and Corporate Governance Committee will synthesize this information and report a summary of this information to the non-management directors in executive session at the second regularly scheduled meeting of the Board each fiscal year. After presentation to the non-management directors of the evaluation, the chairs of the Board's committees will meet with the Chief Executive Officer to discuss the Board's assessment. The Chief Executive Officer may then take the opportunity to discuss his or her reaction to the evaluation.

#### Succession Planning

The Nominating and Corporate Governance Committee shall monitor the Board's plan for succession to the position of the Chief Executive Officer. To assist the Board, the Chief Executive Officer shall prepare and distribute to the Board an annual report on succession planning for all senior officers of the Company with an assessment of senior managers and their potential to succeed the Chief Executive Officer and other senior management positions. In addition, the Chief Executive Officer shall prepare, on a continuing basis, a short-term succession plan which delineates a temporary delegation of authority to certain officers of the Company, if all or a portion of the senior officers should unexpectedly become unable to perform their duties. The short-term succession plan shall be presented to and approved by the Board and shall be in effect until the Board has the opportunity to consider the situation and take action, when necessary.