RESOLUTION NO. 2018-03B
SEVEN COUNTY INFRASTRUCTURE COALITION
March 9, 2018

RESOLUTION SELECTING A WAXY CRUDE CONSULTANT, AND RELATED MATTERS.

WHEREAS, the Coalition has studied the potential for an oil pipeline and other transportation opportunities into and out of the Uinta Basin; and

WHEREAS, the production of waxy crude in the Uinta Basin has grown significantly over the last 20 years and improved transportation would impact the market access and price paid for such waxy crude; and

WHEREAS, Uinta Basin waxy crude oil has a high pour point and other characteristics making it more difficult to transport than light crude oil; and

WHEREAS, the Ute Indian Reservation and Tribe have significant holdings and interest in Uinta Basin waxy crude oil; and

WHEREAS, the Governing Board of the Coalition approved a Request for Qualification for a Waxy Crude Consultant, which was distributed to the Coalition’s email distribution list and which was published in the Deseret News:

NOW THEREFORE, it is hereby resolved by the Governing Board of the Seven County Infrastructure Coalition as follows:

IT IS HEREBY RESOLVED by the Governing Board of the Seven County Infrastructure Coalition to select Marc Eakley to be its consultant with expertise with Uinta Basin waxy crude oil and experience with the Ute Indian Tribe, and related matters, and authorizes the Executive Director to execute a consulting agreement consistent with the response as directed by the Governing Board.
Motion to approve by Harracks, seconded by Lytle.

**SEVEN COUNTY INFRASTRUCTURE COALITION VOTING:**

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**ABSENT**

Co-Chair Phil Lyman

Co-Chair Jae Potter

**ATTTEST:**

Eric Johnson
February 26, 2018
Via Email

Mike McKee, Executive Director
Seven County Infrastructure Coalition
10849 N 7750E
Tridell, UT 84076

Re: Response to Request for Qualifications for Waxy Crude Consultant

Dear Mr. McKee,

As you know, I was retained as a technical consultant to the Duchesne County Commission in January 2015, when the effort to find a route to alternative markets for Uinta Basin waxy crude oil was commenced by Duchesne County and Carbon County. The initial effort was directed at moving the crude by pipeline from the Uinta Basin to a railhead in Carbon County, from which it could be sent to Salt Lake City refineries or to refineries or blending facilities in alternate markets.

I made a transition to working for the Seven County Infrastructure Coalition on this project when it was moved to the SCIC by the two counties. I have enjoyed my involvement in this process and working with the people who have come together to pursue the objective. I am a firm believer in the need for a solution to the “stranded oil” issue that has long resulted in a discounted price for Uinta Basin waxy crude to the detriment of the producing counties, the Ute Indian Tribe, SITLA, the State of Utah, the federal government, the CIB, private mineral owners, and of course the oil producers themselves.

I am a geologist, trained at Dartmouth College, from which I graduated in 1973. I started working almost exclusively in the Uinta Basin in 1983, conducting exploratory drilling programs, completing wells, operating oil and gas wells and marketing produced oil and gas. In 2000, I conceived and shot the first exploratory 3D seismic survey in the Uinta Basin on Ute Tribal lands as Chief Operating Officer and a Director of Wind River Resources. We went on to make significant discoveries and to build pipelines, a compressor station and other infrastructure for this project. Although I left my position at Wind River in 2013, I continue to own an interest in the company and perform consulting work for it.

I am an expert on Uinta Basin oil and gas exploration, production and operations. In 1986, I moved from Denver to Roosevelt, where I lived with my family for
twenty years. I operated wells on federal, tribal, state and fee (private) leases and drilled wells in the Altamont-Bluebell field, the Pariette Bench area, the Flat Rock field and the Rock Spring Unit. I am in my second term as a director of the Utah Geological Survey and currently serve as the chairman of its board. I have good relationships with the oil companies operating in the Basin.

During my years working and living in the Basin, I developed good working relationships with the landowners whose lands we leased and with the regulatory authorities responsible for overseeing those activities. This includes the US Bureau of Land Management in the Vernal District and in the State Office, the Ute Indian Tribe, the Bureau of Indian Affairs at Ft. Duchesne, SITLA, and the Utah Division of Oil, Gas & Mining, among others. I will leave it to you to decide if those relationships have been useful to the effort at hand.

The transportation of Uinta Basin waxy crude oil to the most favorable markets is a technically and economically complex subject. The five SLC refineries have for many years applied a significant discount to the value of this oil compared to the US onshore bench mark price for West Texas Intermediate crude. That discount damages the royalty recipients and the taxing authorities by reducing their revenue from the sale of this oil. Beyond that issue is the capacity of the SLC refineries to refine the oil. Their capacity was exceeded during 2014, when some oil was trucked over US 191 to Carbon County and delivered by rail to buyers in Oklahoma and the Gulf Coast areas. Recent discussions with the largest producers in the Basin indicate an interest in increasing production over the next several years, so the capacity limitations in SLC will act to constrain that development.

There are two problems to be solved: the first is to eliminate or significantly reduce the discount, and the second is to provide outlets for the crude that will allow production increases. The initial effort was directed at getting a pipeline built from the Basin to the Price area. Now the oil producers have expressed an interest in seeing a railroad built into the Basin because it would reduce the handling issues of oil transportation, and would allow inbound freight in the form of frac sand, oil field tubular goods (steel), cement, chemicals, etc. Such a railway could also provide export opportunities for other industries in the Basin, including agriculture.

At this point, the focus of the SCIC effort is shifting from the pipeline to a rail line, although it is not yet clear that there will not be a future need for a pipeline. I was intimately involved in the pipeline studies, including managing HDR Engineering’s “Uinta Basin Pipeline Study (September 2017)” on behalf of the SCIC. There was always a crude-by-rail component associated with that effort. As the SCIC transitions to an emphasis on crude-by-rail originating in the Uinta Basin, I am confident that I have useful contributions to make to the SCIC’s project, including familiarity with the routes likely to be investigated.
I would very much like to continue to work for the SCIC on this effort. I have been in the oil and gas business for more than forty years and have a breadth of knowledge that is rare in this day of specialization. I am one of the few people left who can pick a place to drill a well, permit the operation, drill the well, complete the well, build the required facilities for production, manage production operations and negotiate contracts for the sale of oil and gas.

I am a student of the history of the oil and gas business and have spent a great deal of time and effort writing a history of the industry in Utah. I keep abreast of daily developments in the oil and gas business in the Uinta Basin, in Utah, in the US, and throughout the world. In the course of my work for the SCIC I have consistently shared items that might be of interest to the others on the team at no cost to the SCIC.

I have attached my full resume, which includes a list of my publications on Uinta Basin oil and gas. I would be happy to provide annotated references upon request.

My hourly rate for this work will be $200/hour, plus mileage and pre-approved expenses. I will not charge mileage for short trips (i.e. from my house in Park City to meetings in SLC), nor will I charge for incidental copying or any other office charges or meals. As in the previous engagement, I will not charge for brief incidental phone calls or emails.

I have appreciated working with you and the others involved in the SCIC oil transport effort. It is my hope that we can continue this work together and solve a decades old problem for the Uinta Basin.

Sincerely,

Marc T. Eckels

Cc – Eric Johnson
Attachment - Resume
RESUME

MARC T. ECKELS
7089 Pinecrest Drive
Park City, UT 84098
435-901-4217 (cell)
435-649-9295 (home)
Email: marceckels@gmail.com

PERSONAL DATA
Born February 9, 1951, Mount Vernon, WA.
Married to Lynelle G. Eckels (geophysicist) since 1973, with four sons, ages 21-34 years old.

EDUCATION
Dartmouth College, Hanover, NH, Bachelor’s Degree in Geology, 1973.

PROFESSIONAL EXPERIENCE
Oil & Gas Exploration & Production Consultant, Owner, Park City, UT, January 2015-Present.
Provide consulting services and due diligence for oil and gas property acquisitions and divestitures, field operations, permitting, deep scientific drilling project design, and Uinta Basin crude oil pipeline project.

DOSECC Exploration Services, LLC, Deep Borehole Field Test, Program Director, Salt Lake City, UT, January 2017-June 2017.
Managed project analysis and bid preparation for two rounds of bidding (2015 & 2016) for US DOE Deep Borehole Field Test proposal as a consultant to DOSECC. Upon award of Phase 1 bid, joined DOSECC as an employee Jan. 1, 2017, to direct the borehole drilling and testing design, permitting, and execution phases of drilling a 5-km (16,400’) deep crystalline basement borehole research project for the DOE. Function as a member of a team comprised of representatives from a four-company consortium. Project cancelled at end of May by DOE transfer of funding to Yucca Mountain resumption effort.

Loyz America LLC / Loyz Rex Drilling Services LLC, General Manager, Salt Lake City / Park City, UT, January 2013 - December 2014.
Loyz America LLC was the US oil and gas exploration and production subsidiary of Singapore-based Loyz Energy Ltd. Loyz Rex Drilling Services LLC (LRDS) was a two-rig US drilling contractor with Loyz as the majority owner. Loyz America managed drilling activities for oil with its Norwegian partners in ND and CO. Responsible for managing the drilling and completion activities for both projects from rig start-up through well completion. Member of both management and technical committees. At the end of 2014, Loyz exited the US due to low oil prices. Supervised 38 employees and approximately 100 field contractors.

Wind River Resources Corporation / Wind River II Corporation, Chief Operating Officer / Vice President / Director, Roosevelt / Park City / Salt Lake City, UT, August 1999 - January 2013.
Overall responsibility for exploration and production operations and environmental compliance for privately held companies engaged in oil and gas exploration and production in the Uinta Basin, UT. Key player in corporate governance, deal evaluation and negotiation. Responsible for the design, execution and interpretation of the North Hill Creek (28 sq. mi.), Rock Spring (40 sq. mi.), and North Hill Creek Extension (28 sq. mi.) 3D seismic surveys. Managed all aspects of exploration and development drilling, well completion, production operations and partner relations. The North Hill Creek 3D, the first exploratory 3D seismic survey in the Uinta Basin, resulted in discovery of the first commercial pipeline quality gas production from the Entrada Formation in the Uinta Basin and the first gas production ever from the Wingate Sandstone. Twenty wells were drilled at North Hill Creek and three wells in the Rock
Spring Unit at depths to 12,700'. Managed operations for the 20-well Roosevelt Unit (Altamont-Bluebell) to achieve sale of unit in 2005. General manager of Nations Oil Field Service and Lobo Well Service, two related service companies serving the roustabout, workover and drilling needs of the industry in Utah. Supervised up to 50 employees and often more than 100 contractors in the field.

**ADS Operating, Inc., President, Roosevelt / Salt Lake City UT, January 1996 – Present.**

ADS Operating was an oil and gas operations and exploration consulting firm with broad operating experience in the Uinta Basin and throughout the Rocky Mountain region. ADS Operating assembled several exploration projects in partnership with Black Coral LLC, Denver. In mid-1999, Marc Eckels was retained by Wind River Resources Corp. to work on the Naval Oil Shale Reserve #2 and other oil and gas projects, which led to his joining Wind River. Since 2002, ADSO has focused solely on growing its Sound Geothermal Corp. subsidiary, a designer and provider of geothermal HVAC systems. Lobbied congressional delegations from the Rocky Mountain states in Washington, DC on behalf of the geothermal heat pump industry in 2011 and 2012. Involved only in geothermal activities since 2002.

**Remote Operating Systems, Inc., Board Chairman / Chief Operating Officer, Roosevelt, UT / San Antonio, TX, January 1994 - April 1996.**

Member of three-man management team assembled to commercialize patented oil, gas and water system measurement and automated control devices and software developed by this supervisory control and data acquisition (SCADA) company. ROS was designed and installed automated oilfield systems for Amoco, Texaco, Unocal, Coastal, UPRC, Quintana and many other operating companies. Also instrumented Edwards Aquifer, San Antonio, TX. Sold to Applied Automation in early 1996. Supervised 30 employees.

**Quintana Minerals Corporation, Operations Manager, Roosevelt, UT, February 1986 - February 1996.**

Full technical and profit and loss responsibility for drilling, completion, workover and production operations for twenty-five deep Wasatch Formation oil and gas wells located on Ute Indian Tribe leases and fee lands in the Greater Altamont-Bluebell Area, Uinta Basin. Drilled and completed deep, overpressured Wasatch Formation wells in the Cedar Rim field. Designed and executed remedial workover and recompletion operations on all wells. In addition to managing Cedar Rim, took over troubled operation of 546 Madison Limestone oil wells on fee, state and federal leases at Kevin-Sunburst field, Montana. Drilled and completed ten Madison oil wells. Divided time between Utah and Montana for a year in order to clean up the Montana operation, then supervised others for two additional years leading to the profitable sale of the property. Supervised 18 employees and numerous service contractors.

In 1990-91, leader in conceiving, writing and lobbying through the Utah Legislature HB-110, a bill which created severance tax credits for well drilling and remedial workover activities in Utah. In 1994-95, leader in conceiving and writing the Uinta Basin Revitalization Act, and lobbied bill through the Utah Legislature. This provided a vehicle by which producing counties and Indian Tribes share directly in Utah’s severance tax revenue from lands in their jurisdictions.

Participated as drilling, completion, field operations and SCADA expert on Houston-based team to evaluate and perform due diligence on oil field acquisitions in Argentina and Peru. Visited Peru in late 1994 to assist in bid preparation. Trip included visits to remote drilling rigs, well pads and facility locations in the Amazon, as well as to Perupetro headquarters in Lima.

**Suek, Eckels, Toler & Company, Inc., Partner / Secretary / Treasurer, Denver, CO, 1983-1986.**

SETCO was a consulting firm that specialized in oil and gas exploration geology and operations management. Supervised drilling, completion and production operations to 13,700' for multiple clients in Utah, Wyoming, Colorado, Montana, North Dakota, Kansas, Oklahoma and California. Raised funds for and executed a ten-well drilling program in Kansas.
Managed Denver office for ten-rig contract drilling company based in Wyoming. Responsible for sales and marketing, contracts, geological consulting, customer relations and field supervision for oil, gas, water, coal, mineral and geothermal exploration and development projects concentrated in the Rockies, but ranging from California to Kentucky.

Drilled water wells and installed electric submersible pumps in domestic, commercial and municipal wells in NH and VT.

Performed geological and geophysical surveys for large construction projects, such as nuclear and fossil fuel power plants, dams, bridges and large buildings throughout the US. Provided consulting services for blasting operations, prepared expert witness testimony.

Worked as copper exploration and development geologist at the Morenci Open Pit Mine and the Safford Underground Mine. Supervised deep core drilling rigs and water well drilling and testing programs. Offered permanent job, but declined due to copper price collapse in 1973-74.

PUBLICATIONS / PRESENTATIONS
M.T. Eckels, June 4, 2009, Illustrated History of Utah Oil & Gas Exploration & Production, Salt Lake Section of Society of Petroleum Engineers, invited speaker for annual fund-raising dinner.


M.T. Eckels (Wind River Resources), D.H. Suen (Black Coral, LLC) & P.J. Harrison (Fall-Line Exploration), March 21, 2005, New, Old Plays in Southern Uinta Basin Get Fresh Look With 3D Seismic Activity, Oil & Gas Journal, p. 32-40.


TECHNICAL ADVISORY COMMITTEE SERVICE

Basin-Scale Produced Water Management Tools & Options: Uinta Basin, Utah, December 2012-2015, donated data to REPSEA-funded study of produced water management and attended all Technical Advisory Board meetings and field trips. Study managed by the Utah Geological Survey.

Uinta Basin Mancos Shale Technical Advisory Board, July 2012-2014; donated 3D seismic, core and log data to REPSEA-funded study of the gas and liquids potential of the Mancos Shale in the Uinta Basin, and attended all TAB meetings. Study managed by Utah Geological Survey and the Energy & Geoscience Institute, University of Utah.

Integrated Interpretation of the Dakota and Cedar Mountain Channel Complexes Play Using 3D Seismic Attribute Analysis and Well Logs, Uinta Basin, Utah, July 2009; Wind River donated 3D seismic and log data, provided production insights to authors and met with investigators for this USTAR-funded study managed by Bill Keach and Lauren Birgenheier (PhD) at the Energy & Geoscience Institute, University of Utah.

EXPERT WITNESS TESTIMONY

Marc Eckels has testified as an expert witness before the Utah Board of Oil, Gas & Mining on numerous occasions since 1986. Such testimony requires that the witness be qualified as an expert by the Board. Most recent testimony involved spacing in the Flat Rock Field and the operation of the Roosevelt Unit. He has also served as an expert witness in cases involving oil and gas litigation, and before the Utah Tax Commission on matters involving asset valuation/taxation.

MEMBERSHIPS

Society of Petroleum Engineers (SPE) and/or Society of Mining Engineers (SME), 1972-Present.
American Petroleum Institute (API), Uintah Basin Chapter, 1986-Present (Past Chairman).
Utah Energy Coalition, 1989-2003, lobbying group (Cofounder & President).
Member of UGA Lehi Hintze Award selection committee, 2011
Member of 2013 AAPG Rocky Mountain Section planning committee, 2012-2013
Independent Petroleum Association of America (IPAA), 2013-Present.
Petroleum History Institute, 2015-Present.

COMMUNITY SERVICE

Utah Geological Survey, Board Chairman, appointed by Governor Gary Herbert, October 2011-Present.
Duchesne County Area Chamber of Commerce, 1989 - 2004 (Past Director).
Dartmouth Alumni Council, 2016 – Present.
Co-recipient (with wife) of Duchesne County Chamber of Commerce 2002 Volunteer of the Year Award.
Think! Energy Utah (National Energy Foundation), Education Steering Committee member and oil &
1.0 INTRODUCTION

Sage Energy Partners, LLC ("Sage Energy"), is pleased to present our qualifications and express our interest in working with the Seven County Infrastructure Coalition ("Seven County Coalition") on addressing the transportation issues associated with the Uinta Basin Waxy Crude ("Waxy Crude"). Sage Energy has been working with the Ute Indian Tribe for the past 5 years to address the energy infrastructure needs for the Uinta Basin (water, oil and gas).

We believe a working relationship between the Seven County Coalition and the Tribe is critical for evaluating, designing, permitting, and constructing of a viable transportation option as the Ute Reservation encompasses 80% of the Uinta Basin. As a Native American owned energy infrastructure company, Sage Energy will utilize our relationship with the various tribal entities in an effort to create economic value for all of the stakeholders in northeastern Utah while minimizing the environmental impact associated with additional production. Sage Energy will seek to structure a deal that may utilize the Tribe’s "Call on Crude Production" and the Seven County Coalition’s $50 million in Community Impact Bonds ("CIB") to provide the initial financing for a Waxy Crude Transportation solution.

Following are the component responses by Sage Energy to the RFQ published by the Seven County Coalition on February 13, 2018.

2.0 CONSULTANT LEAD QUALIFICATIONS AND PERTINENT EXPERIENCE

Sage Energy was formed in April 2013 (DE, UT and CO) to bring capital and expertise to the Ute Tribe in an effort to safely develop Waxy Crude resource and address the associated transportation issues. Co-founders of Sage Energy both have over 20 years of experience in the oil and gas industry focused on exploration and production, midstream, refining and terminaling. In addition, Sage Energy understands Tribal cultures and how to leverage sovereign Tribal rights for the development of energy infrastructure projects.

Cleve Pike – Co-Founder, Tribal Member, Majority Owner and CEO

1. Member of the Ute Indian Tribe - Valuable relationships with the Ute Tribal Business Committee and related Tribal energy departments (Energy and Minerals, UTERO, BIA).
2. Ute Energy, LLC - Co-founder of the company in 2005, which used the same preferential sovereign Tribal rights that Sage Energy is considering for Waxy Crude; Ute Energy sold in a private sale to Crescent Point Energy (NYSE: CPG) November 2012 for $861 million in lieu of a Initial Public Offering. The 400 miles of natural gas pipeline system, valued over $200 million, were retained by the Ute Tribe.

Steve Crowe – Co-Founder, CFO

1. TechnipFMC (NYSE: FTI) - Operations and financial roles at a global leader in developing and executing oil and gas projects using the latest technologies; reported directly to the CEO and EVP’s running the world-wide energy business (revenue $13 billion, 44,000 employees, $13.8 billion market capitalization).
2. Network International - Worked with a team to raise $54 million to finance, develop and grow an on-line auction site for oilfield equipment, the company is now a division of Liquidity Services (Nasdaq: LQDT).
4. Cowen & Company (Nasdaq: COWN) New York, NY - Energy Investment Banker focused on refining and terminaling M&A serving as the sell side advisor on several significant refinery transactions.
5. SDR Capital Markets Denver, CO - Currently Director of Energy (SEC Licenses 7, 24, 63 and 79) publishing research on the Uinta Basin M&A activity and differentials for Waxy Crude.
6. University of Colorado, Denver, CO - Adjunct Professor for “Global Refining and Terminalling”, published refining market analysis in financial and technical journals.
7. Rice University, Houston, TX - MBA concentrating in Finance.
8. University of Michigan, Ann Arbor, MI - BS in Civil Engineering.
Sage Energy Partners Proposal
RFQ For Waxy Crude Consultant

3.0 CONSULTANT TEAM MEMBER QUALIFICATIONS AND PERTINENT EXPERIENCE
In December 2015, the Ute Tribal Business Committee requested Sage Energy to advise on a path to reduce the price differentials and increase the production of Waxy Crude. Since that time, Sage Energy has presented proprietary analysis and financial models to the Tribal Business Committee and the State of Utah regarding waxy crude transportation solutions and the associated potential financial results once the solution is constructed. Sage Energy has established relationships with world-class engineering, construction, energy advisors and investment banks that will work as a team to meet the needs of the Seven County Coalition.

3.1 Stantec Corporation (https://www.stantec.com) – Multi-billion world-wide multi-disciplined engineering company. Stantec’s oil and gas division provides feasibility studies, detailed design documents and construction management for energy infrastructure projects. The Salt Lake City office has supported numerous energy infrastructure projects in Utah and the western United States. Due to Stantec’s depth, all engineering and design services will be provided in-house.

Key Project Personnel
1. John Gillespie, P.E., Project Manager - 30 years of project management experience including the feasibility, permitting, design and construction of several significant energy infrastructure projects.

2. Mike Healy, Manager of U.S Pipeline Projects - Technical lead with 32 years of oil and gas experience including the construction of pipelines in cold climates and mountainous and sensitive terrain.


Relevant Project Experience
1. Suncor Hot Bitumen Pipeline - Design and construction of a hot bitumen pipeline using insulation and electric heat traced sections located in Alberta, Canada.

2. Syncrude Aurora Pipeline - Design of a 30-inch oil-bit pipeline with aerial crossings requiring insulation and electrical heat trace located in Alberta, Canada.

3. TransCanada Northern Courier Pipeline - Feasibility, FEED report, cost estimate, project design and construction observations for a 60-mile, 24-inch hot bitumen (300°F) pipeline located in Alberta, Canada.

4. Perenco Heavy Oil Pipeline - Conceptual design for a 120-mile diluted bitumen system with a 20-inch heavy oil pipeline located in the Peruvian rainforest.

5. Williams Natural Gas Pipeline Permit – EA and biological consultation study for 23 federally listed species for 412-mile, 16" pipeline located in Utah, Colorado and New Mexico.

6. Questar Pipeline Permit – NEPA, EIS and ESA for construction of 327 miles of gas pipeline located in northeastern Utah.

3.2 Energy Advisors - Focused research with regard to waxy crude marketing and refining to evaluate Uinta Basin energy infrastructure investments from a regional and North American perspectives.
• Stratas Energy Advisors (https://stratasadvisors.com) – Refining and Pipeline network analysis.

3.3 Investment Banking Advisors – Assist with the structuring of an agreement between the Seven County Coalition, the Ute Tribe and its operating partners. The agreement must have the ability to include additional capital partners considering investing in the chosen energy infrastructure option.
• Goldman Sachs – (http://www.goldmansachs.com) – Deal structure and transaction due diligence.
4.0 APPROACH TO IDENTIFY FEASIBILITY PROJECTS AND OBTAIN PERMITS

Sage Energy was formed on two basic principles: first, partner and work with the highest quality oil and gas companies in the world; second respect and preserve the culture of the Native American Tribes in the environmentally safe development of their natural resources. Any analysis of Waxy Crude requires good working relationships between the various Tribal entities. Therefore, Sage Energy will seek a Waxy Crude transportation solution that will partner the Ute Indian Tribe with the Seven County Coalition stakeholders.

4.1 Engineering

The Sage Energy Team will evaluate the following Waxy Crude transportation options: 1) heated pipeline to Salt Lake City, UT, 2) heated pipeline to Price, UT, 3) Rail into Uinta Basin, 4) Waxy Crude upgrader facility in the Uinta Basin. The following tasks will be accomplished:

1. Kick Off Meeting - Sage Energy Team will meet with the Seven County Coalition and various Tribal Entities to identify project parameters and expectations.

2. Data Collection - Research and collect published documents on transportation options for Waxy Crude.

3. Evaluation of Transportation Options - Evaluate the feasibility of each option. The evaluation will consider feasibility, environmental constraints, capital costs, construction methodologies, and environmental impacts. In addition, there will be an evaluation of the the competitive reaction from Salt Lake City refiners.

4. Evaluation of Permits - Identify required permits for recommended option and evaluate the complexity, costs and time to obtain.

5. Feasibility Study Report – A report on the findings for the Waxy Crude transportation options will be issued with and a recommended path forward that will be used for the Seven County Coalition stakeholders and potential investors.

4.2 Native American Tribal Rights

Sage Energy will work with the following four Tribal groups and agencies.

1. Tribal Business Committee (BC) - Six elected members that make up the governing body of the Ute Tribe. The BC desires to move from passive to active management of the Tribes resources to improve the socio-economic well-being for current and future Tribal members.

2. Ute Energy and Minerals (Energy and Minerals) – Focused on enhancing and protecting the minerals and surface estates of the Ute Indian Tribe. Promote the increased oil and gas exploration and production on the Reservation by supporting energy infrastructure projects that lessen the impact to the environment.

3. Ute Tribe Employment Rights Office (UTERO) – UTERO was developed to ensure Indians and Indian-owned businesses participate in economic development of the resources of the Ute Reservation. The Tribe implements this ordinance under its inherent sovereign powers as a federal recognized Tribe, The Ute Tribal Constitution and powers delegated by the U.S. Congress.

4. Bureau of Indian Affairs (BIA) – Responsible for the administration and management of 55 million acres of land held in trust by the Native Americans in the United States.

5.0 Cost Estimate

The Sage Energy Team estimates the cost to advise the Seven County Coalition as a Waxy Crude consultant at $520,000 which will address the multi-faceted approach outlined in this proposal. A breakdown of these costs are available upon request.
Sage Energy Partners Proposal  
RFQ For Waxy Crude Consultant

APPENDIX 1 - RATE SHEET

Sage Energy understands its fiduciary duty to the Seven County Coalition and its stakeholders to identify a Waxy Crude solution and structure a deal between the Ute Tribe and the Seven County Coalition. The Feasibility Study and associated agreements between the Seven County Coalition, the Ute Tribe and their stakeholders will allow investment banks to go to the financial markets to seek the required debt and equity financing. Sage Energy will seek world-class construction and operating partners and advise them on how to be successful when working in Indian Country.

The duration of a mandate of this nature is difficult to determine. Therefore, we have not included a timeframe to complete as dealing with Tribal and Governmental Agencies can take time.

Hourly breakdown on the $520,000 cost estimate follows:

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