

# RESUME

## LESA S. ADAIR, P.E.

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**Education:** B.S. Chemical Engineering - 1983  
Oklahoma State University  
M.B.A. Finance - 1993  
Southern Methodist University

### **Experience:**

Advancial Federal Credit Union, Alternate Director	January 2013 - Present
Muse, Stancil & Co. Current Position: Chief Executive Officer	1992 - Present
ARCO Oil and Gas Company Positions: Senior Crude Oil Marketing Representative Senior Analytical Engineer Start-Up Coordinator Operations Supervisor Operations Engineer Mechanical Supervisor Gas Engineer Junior Engineer	1982 - 1992

**Professional Registration:** Professional Engineer (P.E.) Oklahoma #15232 (1988)  
Professional Engineer (P.E.) Texas #72456 (1992)

**Professional Organizations:** American Institute of Chemical Engineers  
National Society of Professional Engineers

### **Summary of Experience:**

Lesa has worked in the energy industry for more than 30 years completing assignments encompassing the entire energy value chain. Beginning her career with ARCO, she was responsible for reservoir engineering evaluations associated with exploration and development projects, assessment of the economic value of acquisition and divestiture activities, analysis of natural gas shut-in strategies, and technical management of existing production properties. Her last assignment with ARCO was in domestic crude oil trading and marketing. In the crude trading group, Lesa evaluated transportation logistics, analyzed the operations of refineries, assessed the commercial aspects of potential mergers and asset trades, and formulated options and futures strategies.

Since joining Muse In March 1992, Lesa has been involved in a wide variety of assignments and is frequently retained to advise clients on both technical and commercial issues related to mergers, asset transactions, project development and start-up, bankruptcy/workout, and dispute resolution. She has experience in the transportation, processing, refining, marketing, and electrical generation sectors. Since 1992, Lesa has served as Muse Vice President, Corporate Treasurer and CFO. She has been a member of the Muse Board of Directors since 1998 and in 2012 was appointed Chief Executive Officer.

### **Representative Major Project Experience:**

1. **Expert Testimony Natural Gas, LPG, And Olefins Underground Storage Loss, Major U.S. Gas Transmission Pipeline Company** – Retained to provide expert opinions with respect to the technical capabilities and commercial value of adjacent underground storage caverns located near the Henry Hub in Louisiana. Completed evaluation of technical capabilities of storage facilities for natural gas, LPG, and Olefins in order to assess losses associated with the catastrophic failure of one cavern. Valuation included assessment of market conditions such as supply/demand and pricing prior to the incident, at the time of the incident, and in the future. Provided expert opinions for case-in-chief and rebuttal as well as deposition testimony. Parties settled prior to trial.
2. **Expert Advisory to Bank Group, Market Analyses/Evaluation/Assessment of Business Plans for Large Integrated Mid-Stream** – Retained by Creditor Group to provide market analyses, evaluation, and assessment of crude oil gathering/trading, natural gas processing, natural gas storage, asphalt manufacturing, and liquefied petroleum gas business segments for the SemGroup of assets. Work included analysis and assessment of reorganization plans, evaluation of asset market positioning, and assessment of resources required to emerge from bankruptcy. Scope of work included management interviews, participation in creditor group meetings, independent assessment of markets, and determination of potential credit requirements for reorganized business segments.
3. **Project Development Advisory** – Retained by the Department of Revenue and the Department of Natural Resources to analyze and provide input regarding the negotiations with potential developers of the Alaska Gas Pipeline. Analyzed potential project development scenarios, including evaluation of product market supply/demand, expected gas processing scenarios and commercial terms for gas processing and product sales. Provided natural gas liquids pricing forecast advice and audited project financial models.
4. **Expert Testimony, Market Analyses/Advisory** – Provided testimony before the Alaska State Legislative Budget and Audit Committee regarding the development of the Alaska Natural Gas Pipeline Project and the possibilities for in-state utilization of natural gas and natural gas liquids produced from the pipeline.
5. **Expert Testimony, Gas Processing Contract Dispute** – Retained to interpret portions of gas processing contract, formulate expert opinions, and provide expert testimony regarding the plant facilities, the gas gathering facilities, recovery of natural gas liquids and condensate, and accounting/allocation of natural gas liquids and condensate.
6. **Business Strategy, Management of Royalty Trust** – Provided business management, administration, and oversight for \$100 million oil and gas royalty trust. Retained by owners of the trust as agent of the General Partner of the trust to manage day-to-day business functions, confirm production, invoice and confirm payments, and administer oil and gas marketing contracts as necessary. Managed the transition of the agent from Enron-affiliated management post-bankruptcy.
7. **Valuation, Development Bankruptcy Proof of Claim** – Retained by Enron counterparties in commodity and interest rate swap contracts to determine damages and assess amounts owed by the Enron estate to the partnership.
8. **Expert Testimony, Market Valuation of Wellhead Natural Gas** – Retained to evaluate the market value of unprocessed natural gas at the wellhead in southwestern Wyoming. Analyzed the market for raw natural gas in the producing region, evaluated the capabilities of gas processing plants in the area, evaluated the residue gas and natural gas liquids markets, and assessed the processing costs for the natural gas to formulate expert opinion regarding the best method to determine the

market value of the unprocessed gas at the wellhead. Appeared in numerous cases before the State Board of Equalization in Wyoming providing expert testimony on behalf of various producers with gas production and processing assets in southwest Wyoming.

9. **Business Strategy, Negotiation of Royalty Provisions in Producing Lease** – Retained by royalty trust to evaluate proposed gas production and gas processing operations for very sour gas production in central Texas. Evaluation included review of the existing field and plant facilities, expected gathering and processing costs, and gas processing economics. Provided recommendations regarding commercial terms as proposed by the operator and relative value implications for the royalty trust.
10. **Expert Testimony, Valuation of Overriding Royalty Interest – Equatorial Guinea** – Retained to analyze and formulate expert opinions regarding the methodology being utilized by Integrated International Oil and Gas Company to determine the market value of natural gas liquids and condensate being produced in Equatorial Guinea for export. Analyses included completion of an audit of prior payments made to the holder of the Overriding Royalty Interest as well as evaluation of the fair market value of the products based on netback methodology.
11. **Consulting Expert, Gas Processing Cost and Fuel Allowances** – Retained as a consulting expert in dispute between producer and royalty trust regarding fuel and processing losses/allowances as allocated by the producer for gas produced in south Texas. Evaluation included review of existing field and plant facilities, capital expenditures for the initial project development, capital expenditures associated with subsequent project modifications, historical facility operating costs, fuel utilization, line losses and unaccounted for gas, and development of expectations regarding future field and plant operations.
12. **Consulting Expert, Gas Processing Contract Negotiation** – Retained by producer to provide economic evaluation of existing gas processing contract and recommend potential changes to enhance future economic return for producer.
13. **Consulting Expert, Gas Processing Contract Audit** – Retained by producer to evaluate gas settlement under existing contract and evaluate potential contract compliance issues. Resulted in identification of contract compliance issues and subsequent audit exceptions that led to producer’s recovery of proceeds.
14. **Expert Testimony, Private Arbitration Gas Processing** – Retained to formulate expert opinions regarding a gas processing dispute involving offshore gas processed onshore in southern Louisiana. Provided technical/operational expertise and evaluated the commercial aspects of the contract, including assessment of damages.
15. **Operational Evaluation – South Texas** – Retained by a royalty interest owner to provide expert testimony and damage estimates associated with oil, gas, and condensate production in South Texas. The project included operational and financial audits of ongoing and historical operations. The review encompassed field and plant operations including: (1) gas measurement and gathering, (2) gas processing, (3) crude, condensate, and NGL transportation, and (4) crude, condensate, gas, and NGL marketing.
16. **Prudhoe Bay Royalty Litigation** – Named as rebuttal witness, filed expert testimony, and provided consulting support in a royalty dispute involving Prudhoe Bay gas processing facilities and natural gas liquids recovery. Testimony involved review and rebuttal of defendants’ expert testimony, proposed cost allocation methodologies, detailed process engineering studies, and overall Prudhoe Bay unit issues.

17. **Valuation of Integrated Field Services and Gas Distribution Companies** – Retained to provide an assessment of the value of several integrated companies providing crude oil and gas gathering services, gas compression, gas supply, gas transmission, and local distribution services to customers in East Texas and Louisiana. Valuation was completed for potential investor in conjunction with the purchase of an equity stake and private placement of debt.
18. **Expert Testimony, Power Generation** – Provided expert testimony in a dispute between a regional power generation and distribution company and a local cogeneration company. Work included evaluation of capacity and output potential of electrical generation equipment located in the northwestern U.S.
19. **Major Project Evaluation, Gas Processing** – Completed a review of the technical feasibility and projected investment performance for the \$45 million expansion of a gas production and processing project in Alberta, Canada. Performed extensive cash flow analysis of field/plant operations and assisted in the preparation of the private placement memorandum to assist in the financing of the project expansion.
20. **Evaluation of Crude Oil Gathering Operations** – Retained by creditors to evaluate the ongoing operations of a crude oil gathering and marketing company operating in conjunction with a merchant refiner located in the southwestern U.S. Work included the assessment of crude oil gathering pipeline operations, trucking operations, system inventory, contract analysis, and risk management activities. Completed a detailed economic analysis of historic profitability and constructed pro forma analysis of business including new venture opportunities.
21. **Asset Appraisal** – Retained as expert to provide an appraisal of gas processing assets located in East Texas. Provided a preliminary assessment of the value of the assets for ad valorem tax purposes; analysis included use of the income, cost, and market approaches to value.
22. **Gas Storage Scoping Study** – Reviewed the technical feasibility and prepared capital and operation cost estimates for the reactivation of an existing gas storage facility located in south central Texas. Coordinated the efforts of a reservoir engineering firm and compiled final study to provide an independent assessment of the feasibility of the proposed project.
23. **Litigation Support/Insurance Settlement** – Prepared expert testimony in conjunction with an injury accident that occurred during field operations in California. Also prepared expert testimony related to insurance claims (property, business interruption, liability) resulting from accidents involving field processing facilities, petrochemical plants, and refineries located in the U.S. and in South America.
24. **Bankruptcy** – Provided technical and economic analyses, asset valuations, and feasibility analyses for bank group relative to refining, terminalling, and marketing assets located on the U.S. West Coast and U.S. Gulf Coast.
25. **Acquisition Negotiation and Evaluation** – Completed economic evaluation and negotiation for acquisition of a 200 million standard cubic foot per day gas treating and compression plant. Project responsibilities included negotiation of gas purchase and sale agreements, the evaluation of carbon dioxide contracts and market alternatives, and the determination of the overall condition of plant assets.
26. **Environmental Management** – Completed a review of the need for air, water, and waste permits for gas processing facilities in Texas, supervised PSD application to the Environmental Protection Agency (EPA) and managed compliance testing after start-up. Participated as owner representative for two EPA on-site facility audits.

*Expert Witness Cases:*

1. **Ralph Redfeather, et al vs. Blue Marlin Tool Co., Inc.**, Case No. 612803, Superior Court of the State of California, For the County of Orange.
2. **State of Texas vs. Amoco, et al.**, Case No. 95 – 08680, 345<sup>th</sup> Judicial District Court of Travis County, Texas.
3. **March Point Cogeneration Company vs. Puget Sound Energy, Inc.**, Case No. C95-1833RR, U.S. District Court, Western District of Washington.
4. **Howell Petroleum Corporation, et al vs. Shore Oil Co. et al**, Cause No. 95-037180, 113<sup>th</sup> District Court of Harris County, Texas. Consolidated with #95-037970 Howell Petroleum Corporation, et al vs. Tenexco Inc., et al in the 151<sup>st</sup> District Court of Harris County, Texas.
5. **Chevron U.S.A. Inc. vs. GPM Gas Corporation**, Civil Action No. MO-97-CA-199, U.S. District Court, Western District of Texas, Midland – Odessa Division.
6. **PRIVATE ARBITRATION: Enterprise Gas Processing, LLC v. Venice Energy Services Company, LLC and Dynegy Midstream Services, 2002**
7. **SEVERANCE TAX APPEAL, PAINTER PLANT/FIELD:** Before the State Board of Equalization for the State of Wyoming, In the Matter of the Appeal From a Change of Valuation Method Decision By The Mineral Division of the Department of Revenue, Docket Nos.: 2000-149 (Union Pacific Resources Company), 2000-150 Chevron U.S.A., Inc., 2000-155 Amoco Production Company (Painter Field); AND In the Matter of the Appeal of Chevron U.S.A., Inc., From a Notice of Valuation for Taxation Purposes Decision of the Minerals Division of the Department of Revenue, Docket No. 2001-113; AND, In the Matter of the Appeal of Amoco Production Company From A Notice of Valuation For Taxation Purposes Decision of the Minerals Division of the Department of Revenue, Docket No. 2001-150, 2002
8. **SEVERANCE TAX APPEAL, WHITNEY CANYON PLANT/FIELD:** Before the State Board of Equalization for the State of Wyoming In the Matter of the Appeal From a Change of Valuation Method Decision By The Mineral Division of the Department of Revenue, Docket Nos.: 2000-147 (Union Pacific Resources Company), 2000-151 Chevron U.S.A., Inc., 2000-154 Amoco Production Company; AND In the Matter of the Appeal of Chevron U.S. A., Inc., From a Notice of Valuation for Taxation Purposes Decision of the Minerals Division of the Department of Revenue, Docket No. 2001-114; AND, In the Matter of the Appeal of Amoco Production Company From A Notice of Valuation For Taxation Purposes Decision of the Minerals Division of the Department of Revenue, Docket No. 2001-149, 2002
9. **SEVERANCE TAX APPEAL, CARTER CREEK FIELD:** Before the State Board of Equalization for the State of Wyoming In the Matter of the Appeal From a Change of Valuation Method Decision By The Mineral Division of the Department of Revenue, Chevron U.S.A., Inc. Before the State Board of Equalization for the State of Wyoming In the Matter of the Appeal of Chevron U.S.A., Inc. from a Change of Valuation Method Decision by the Minerals Division of the Department of Revenue Docket No. 2000-152; AND In the Matter of the Appeal of Chevron, USA, Inc. from a Notice of Valuation for Taxation Purposes Decision of the Minerals Division of the Department of Revenue, Docket No. 2001-112, 2002
10. **GENERAL GAS:** General Gas Company, LP vs. Duke Energy Field Services, LP, The United States District Court For The Northern District Of Texas, Amarillo, Texas, Civil Action No. 2:01-Cv-351-J, 2002

11. **CONOCO v. the CITY OF COMMERCE CITY, COLORADO**: Conoco, Inc. v. Roger Tinklenberg, et al, District Court, Adams County, State of Colorado, Case No. 02 CV 2084, Division C, 2003
12. **MANNA PETROLEUM SERVICES L.P., d/b/a/ MANNA CONTRACT SERVICES v. AMERICAN PROCESSING, L.P. AND ONEOK TEXAS FIELD SERVICES, L.P., et al**, Case No. 31,485 in the District Court of Gray County, Texas, 223<sup>rd</sup> Judicial District, 2004
13. **SEVERANCE TAX APPEAL, WHITNEY CANYON PLANT/FIELD**: Before the State Board of Equalization for the State of Wyoming In the Matter of the Appeal From a Change of Valuation Method Decision By The Mineral Division of the Department of Revenue (Production Year 2001, Whitney Canyon), Docket No. 2002-54, 2004
14. **F.T. BARR V. CMS ENERGY CORP., et al**, 333rd District Court of Harris County, Cause No. 2001-61529.
15. **SEVERANCE TAX APPEAL, CARTER CREEK PLANT/FIELD**: In the matter of the appeal of Chevron U.S.A. Inc., From a Notice of Valuation for Taxation Purposes by the Mineral Tax Division of the Department of Revenue (Production Year 2002, Carter Creek), Docket No. 2003-64
16. **SEVERANCE TAX APPEAL, WHITNEY CANYON PLANT/FIELD**: In the matter of the appeals of Chevron U.S.A. Inc., From Notices of Valuation for Taxation Purposes by the Mineral Tax Division of the Department of Revenue (Production Year 2002, Whitney Canyon), Docket No. 2003-65
17. **GMX RESOURCES, INC., v. DUKE ENERGY FIELD SERVICES, LP AND RME PETROLEUM COMPANY (Formerly known as Union Pacific Resources Company)**: United States District Court for the Western District of Oklahoma, Case No. CIV-03-1291-C
18. **SEVERANCE TAX APPEAL, CARTER CREEK PLANT/FIELD**: In the matter of the appeal of Chevron U.S.A. Inc., From a Notice of Valuation for Taxation Purposes by the Minerals Tax Division of the Department of Revenue (Production Year 2001, Carter Creek), Docket No. 2003-162
19. **Legislative Budget & Audit Committee, Senate Resources Committee, Interim Hearings, Alaska Natural Gas Pipeline Issues** – September 1-2, 2004
20. **SEVERANCE TAX APPEAL, CARTER CREEK PLANT/FIELD**: In the matter of the appeal of Chevron U.S.A., INC., From a Notice of Valuation for Taxation Purposes by the Mineral Tax Division of the Department of Revenue (Carter Creek & Higgins #17, Production Year 2004)
21. **SEVERANCE TAX APPEAL, CARTER CREEK PLANT/FIELD**: In the matter of the appeal of Chevron U.S.A., INC., From a Notice of Valuation for Taxation Purposes by the Mineral Tax Division of the Department of Revenue (Carter Creek)
22. **State of Alaska, Legislative Briefing, Joint Session, Alaska Natural Gas Pipeline License, June 2008**
23. **PRIVATE ARBITRATION: Denbury Onshore, LLC v. Crosstex Energy Services, L.P., Crosstex CCNG Processing LTD., Crosstex North Texas Gathering L.P., and Crosstex Gulf Coast Marketing, LTD., 2009**
24. **23<sup>RD</sup> Judicial District Court-Parish of Assumption-State of Louisiana – Oil Insurance Limited v. The Dow Chemical Company, Dow Hydrocarbons & Resources, Inc., Frank’s Case Crew and Rental Tools, Inc., Grey Wolf Drilling company, LP, 2010**

25. CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS, STATE OF LOUISIANA, No. 2001-20936, DIVISION G, SECTION 11, CYNTHIA BRIDGES, SECRETARY DEPARTMENT OF REVENUE, STATE OF LOUISIANA VERSUS PRODUCTION OPERATORS, INC, 2010
26. 44<sup>th</sup> JUDICIAL DISTRICT COURT, DALLAS COUNTY, TEXAS, CAUSE NO. 09-08122, Susan Elizabeth McRae and Susan Jane McRae v. Cohort Energy Company, 2011
27. COMMONWEALTH OF KENTUCKY, FLOYD CIRCUIT COURT, DIVISION II, CIVIL ACTION NO. 09-CI-00731, O&G ENERGY, LLC and THE COURTLAND COMPANY, LLC PLAINTIFFS v. ENERGY MANAGEMENT & SERVICES COMPANY, T. DALE HONE AND PETER GRIMES DEFENDANTS, 2011
28. CLEAN AIR COUNCIL, Appellant, v. COMMONWEALTH OF PENNSYLVANIA, DEPARTMENT OF ENVIRONMENTAL PROTECTION, Appellee, and MARKWEST LIBERTY MIDSTREAM and RESOURCES, LLC, 2012
29. SUPERIOR COURT OF THE STATE OF CALIFORNIA FOR THE COUNTY OF LOS ANGELES, CENTRAL CIVIL WEST, IN RE SESNON FIRE v SOUTHERN CALIFORNIA GAS COMPANY AND RELATED CASES, 2012
30. MAGNUM HUNTER PRODUCTION, INC. and EUREKA HUNTER PIPELINE, LLC, and others similarly situated, Claimant, v. SEMINOLE ENERGY SERVICES, LLC and SEMINOLE GAS COMPANY, LLC, Respondents, PRIVATE ARBITRATION, 2013
31. LONDON COURT of INTERNATIONAL ARBITRATION, ARBITRATION NO. 122216, EXTERRAN KAZAKHSTAN LLP v. ZHAIKMUNAI LLP, 2013
32. SUPERIOR COURT OF THE STATE OF CALIFORNIA, COUNTY OF PLACER, ENERGY 2001, PLAINTIFF vs PACIFIC GAS AND ELECTRIC COMPANY; SHAW ENVIRONMENTAL, INC.; AND DOES 1-100, Defendants, Case No. 0028646, 2013

***Publications:***

1. "GTL - un nuovo mercato per I produttori di gas"  
AGI Energia  
October 31, 2012
2. "North American NGL Supply and Demand"  
Platt's 5<sup>th</sup> Annual Appalachian Gas Conference  
October 15, 2012
3. "Analysis Shows GTL Viable Alternative for US Gas Producers"  
*Oil & Gas Journal*  
August 6, 2012
4. "Eagle Ford Shale – Where Are All Those Liquids Gonna Go?"  
*Mapping Midstream's Future-Gas Processors Association 2012 Conference*  
April 2012
5. "Gas-To-Liquids – Now a Viable Alternative Gas Processing Strategy"  
*Mapping Midstream's Future-Gas Processors Association 2012 Conference*  
April 2012
6. "Eagle Ford Impacting Liquids Market"  
*American Oil & Gas Reporter*  
March 2012

7. "Gas-To-Liquids: A Viable Economic Alternative"  
*Argus North American Gas Markets 2012 Conference*  
March 2012
8. "Infrastructure Development and Market Impact"  
*Argus North American Gas Markets 2012 Conference*  
March 2012
9. "Transportation Infrastructure Impact on Supply & Demand"  
*Argus Shale Liquids and Gas Summit Conference*  
May 2011
10. "Natural Gas, Focus on Midstream, Part I: Overview of the Gas Processing Business"  
*4<sup>th</sup> Annual Gas and Power Institute*  
October 20-21, 2005
11. "High NGL, Natural Gas Prices Make Processing Margins More Volatile"  
*Oil & Gas Journal*  
Week of September 27, 2004, p. 58
12. "US Gas Processing Profitability Statistics"  
*Oil & Gas Journal*  
Week of May 21, 2001, p.54
13. "North American Crude Pricing Dynamics – The New Fundamentals"  
*North American Petroleum Accounting Conference*  
May 2001
14. "Gas Processing "101" Technology and Commercial Issues"  
*National Association of Royalty Owners*  
October 26, 2001
15. "U.S. Product Market Dynamics - Reflecting on the Past – Characterizing the Future"  
*American Petroleum Institute Pipeline Conference*  
April 2001
16. "Crude Oil Pricing - A Marketer's Perspective"  
*North American Petroleum Accounting Conference Proceedings*  
May 1997
17. "Crude Oil Pricing - A Historical Perspective"  
*National Association of Royalty Owners*  
1996 Round-Up Proceedings  
November 1996