



LONGNECKER
& ASSOCIATES

April 16, 2009

Terrence Ronan
President and Chief Executive Officer
SemGroup, L.P.
Two Warren Place
6120 South Yale Avenue, Suite 700
Tulsa, OK 74136-4216

Dear Mr. Ronan:

Pursuant to your request, Longnecker & Associates (“L&A”) is pleased to have the opportunity to assist SemGroup, L.P., and certain of its subsidiaries (the “Client” or “SemGroup”) by providing the Services (defined below). This letter sets forth the agreement between the Client and L&A with respect to the Services, effective as of the date first written above (the “Engagement”).

BACKGROUND

On July 22, 2008, the Client filed voluntary petitions to reorganize under Chapter 11 of Title 11 of the United States Code (collectively, the “Bankruptcy Proceeding”). The Bankruptcy Proceeding continues toward the confirmation of a plan of reorganization, with the goal of SemGroup emerging from bankruptcy. It is our understanding that after emerging from bankruptcy:

- SemGroup will likely be composed of the SemCrude, SemGas, SemStream and SemFuel business units, together with a corporate support group.
- SemGroup will focus on the gathering, storage, transportation and marketing of oil and natural gas and liquids.
- SemGroup will have three international business units, which are located in Wales, Canada and Mexico; however, at this time, it is anticipated that these international business units will continue to utilize their existing compensation programs, which have been developed and designed to support their own operational strategies.
- SemGroup’s total anticipated US employee base will be approximately 500 and its total projected revenue for 2010 is expected to be \$1.5 billion.

- It is anticipated that the reorganized Client will be a publicly traded entity.

SCOPE OF SERVICES

The Client desires to hire L&A to assist with: (a) the development of an appropriate equity ownership program for employees in the post bankruptcy reorganized SemGroup (the "Equity Program"), and (b) the evaluation and design of the appropriate human resource infrastructure processes and systems for the post bankruptcy SemGroup (the "Additional Work"). The foregoing described services and such additional services that the Client and L&A agree that L&A shall perform hereunder are sometimes collectively referred to herein as the "Services."

Equity Program

The Equity Program will have two phases which will be comprised of the following:

Phase I

(L&A understands SemGroup desires to have this phase completed by Thursday, April 16, 2009 – 12:00 noon Central Time; however to provide the type of recommendations detailed below, L&A requests the Phase I deadline be deferred until Monday, April 20, 2009 – 5:00 p.m. Central Time):

- Market analysis overview and statistics documenting practices by oil and gas companies that offer long-term incentive award programs.
- Overview of different approaches SemGroup could elect to offer to employees, listing pros and cons of each approach.
- A recommendation on the best approach for SemGroup at this time based on current economic conditions, federal rules and regulations, company profile, long-term goals and objectives, and anticipated financial results. L&A will rely upon its extensive experience in long-term incentive plan design for energy companies, as well as its research and publication on long-term incentive awards, including: *Stock Option Alternatives, 2nd Ed.* and *The Power of Restricted Stock, 2nd Ed.*
- Overview of project design for recommended approach. This design should document recommended participation levels of long-term incentive equity awards and cash equivalent type programs for the general employee population below key employees receiving equity awards.

Phase II

(Due: Thursday, April 30, 2009 – 5:00 p.m. Central Time):

- Detailed plan design for employee ownership program selected by SemGroup. This will be designed based on the evaluation and selection of plan design provided in Phase I.
- Communication plan and documentation for SemGroup to use when informing constituents and senior leaders in the organization.

Additional Work

In order for SemGroup to successfully emerge from bankruptcy, it will need to evaluate its existing human resources infrastructure processes and systems to determine their adequacy. In connection with the same, the Client may request that L&A perform the Additional Work. It is anticipated this Additional Work would be performed on an as needed basis and would likely continue up to the time of SemGroup's successful emergence from bankruptcy. Note: L&A will provide an estimate of fees and timing upon clarification of the scope of additional work.

ENGAGEMENT TEAM

Mr. Brent Longnecker, President of Longnecker & Associates, has over 25 years of human resource and compensation consulting experience, primarily in the executive and board of director arena. His experience spans many industries including financial, high-tech, real estate, retail, manufacturing, and utilities. He is frequently quoted on human resources issues, serves as a public speaker in this area, and has also authored numerous books and articles. He will be primarily responsible for ensuring that each work step is executed with technical proficiency and that SemGroup is satisfied with all phases of the project.

Mr. Chris Crawford, Executive Director, will serve as the project lead. His primary responsibility will be to direct the day-to-day activities of the project including collecting market data, conducting market analysis, and providing recommendations to SemGroup. In addition, he will coordinate all aspects of the work with SemGroup management, identify and troubleshoot issues, and ensure each work step is delivered on a timely basis. Mr. Todd Henke – Sr. Consultant, will assist him in completing his day-to-day activities. Complete bios can be found on our website (www.longnecker.com).

PROFESSIONAL FEES AND TIMING

L&A is prepared to begin this engagement. The following table outlines our fee range (not to exceed) associated with each phase of the project. Actual expenses are billed at cost and include travel, administrative costs, etc, all in accordance with guidelines established in the Bankruptcy Proceeding.

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<u>PHASE</u>	<u>Fee Range</u>
I – Long-term Incentive Plan Design	\$22,000 - \$24,000
II – Long-term Incentive Plan Approval & Comm.	\$22,000 - \$24,000

L&A will invoice the Client monthly for work performed. All amounts payable hereunder are due within 30 days upon receipt by the Client; provided, however, to the extent the payment of any such amount is subject to the approval of the Bankruptcy Court, payments shall be subject to such approval. In this regard, L&A is aware that the Bankruptcy Court has entered its Administrative Order Establishing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals [Dkt. No. 815] (the "Compensation Order") and that L&A's compensation will be subject to the terms of the Compensation Order. L&A will be responsible for preparation of its own Fee Applications, but the Client will provide assistance in filing of the same.

CONFIDENTIALITY

To the extent that, in connection with this engagement, either party (each, the "receiving party") comes into possession of any trade secrets or other proprietary or confidential information of the other (the "disclosing party"), it will not disclose such information to any third party without the disclosing party's consent. The disclosing party hereby consents to the receiving party disclosing such information (a) to subcontractors that are providing the Services and that have agreed to be bound by confidentiality obligations substantially identical to those in this paragraph; (b) as may be required by law, regulation, judicial or administrative process, or in accordance with applicable professional standards or rules, or in connection with litigation pertaining hereto; or (c) to the extent such information (i) shall have otherwise become publicly available (including, without limitation, any information filed with any governmental agency and available to the public) other than as the result of a disclosure in breach hereof, (ii) becomes available to the receiving party on a non-confidential basis from a source other than the disclosing party that the receiving party believes is not prohibited from disclosing such information to the receiving party by obligation to the disclosing party, (iii) is known by the receiving party prior to its receipt from the disclosing party without any obligation of confidentiality with respect thereto, or (iv) is developed by the receiving party independently of any disclosures made by the disclosing party to the receiving party of such information. In satisfying its obligations under this paragraph, each party shall maintain the other's trade secrets and proprietary or confidential information in confidence using at least the same degree of care as it employs in maintaining in confidence its own trade secrets and proprietary or confidential information, but in no event less than a reasonable degree of care.

PROPIETARY INFORMATION

The parties acknowledge that in the course of performance hereunder, the personnel of L&A may use products, materials or methodologies proprietary to L&A or third parties (the "Proprietary Information"). To the extent that any Proprietary Information of L&A is provided to the Client by L&A in connection with the Services provided hereunder, L&A hereby grants the Client a royalty-free, fully paid-up, worldwide, nonexclusive license to use such L&A Proprietary Technology for the Client's internal purposes. Except for an assignment to one or more entities which are successors to the Client or the Client's assets as part of any Chapter 11 plan of reorganization approved by the Bankruptcy Court, the Client shall not have any right (a) to assign this license, (b) to sublicense use of the Proprietary Information, or (c) to otherwise transfer the Proprietary Information. Notwithstanding anything contained herein to the contrary, the Client shall not have or obtain any rights in the Proprietary Information other than as specifically stated above.

MISCELLANEOUS

This engagement letter constitutes the entire agreement between the parties hereto with respect to the subject matter hereof.

As with other professionals in Chapter 11 cases, L&A's retention and the related terms thereof, including the engagement letter, will need to be approved by the Bankruptcy Court. For purposes of this engagement letter, "Bankruptcy Court" shall mean the United States Bankruptcy Court for the District of Delaware.

Employees or contractors of L&A who perform Services hereunder shall remain the employees or contractors of L&A. L&A shall be responsible for the tax withholdings, payment of salaries, social security contributions and employee benefits such as vacation, sick pay, insurance, pension and profit-sharing benefits of such L&A employees. L&A will be responsible for paying all contractors engaged and utilized by L&A in the conduct of the work. In connection with this engagement letter, each party hereto is an independent contractor and as such will not have any authority to bind or commit the other. Nothing herein shall be deemed or construed to create a joint venture, partnership or agency relationship between the parties for any purpose.

Notwithstanding anything contained herein to the contrary, either party may cancel and terminate this agreement, without cause, upon 30 days advance written notice to the other party. Without regard to application of the rules of conflicts of laws, Oklahoma law shall govern the interpretation and enforcement of this agreement.

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L&A sincerely appreciates this opportunity to partner with you and SemGroup, L.P. If you have any comments or questions regarding this proposal or the scope of work included herein, please do not hesitate to call me at (281) 378-1360.

Very truly yours,



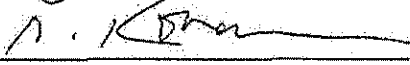
Brent M. Longnecker,
President
Longnecker & Associates

C: Laura Lundquist, SemGroup
Chris Crawford, Longnecker & Associates
Todd Henke, Longnecker & Associates

Accepted and Agreed to by SemGroup, L.P. on behalf of itself and certain of its subsidiaries this ___ day of April, 2009:

SemGroup, L.P.

By: SemOperating G.P., L.L.C.,
Its General Partner

By: 
Terrence Ronan
President and Chief Executive Officer

**Executive Compensation Clients
Energy & Related Services**

Approach Resources
Apache Corporation
ATP Oil & Gas
Atwood Oceanics
Boots & Coots International
Canrig Corporation
Ceja Oil & Gas
Chet Morrison
Cimarex
Coastal Corporation
Concho
Continental Resources
Crimson Exploration
CVR Energy
Deep Marine Technology
Dernick Resources
Edge Petroleum
Edgen Murray
Enerjex
Enhanced Oil Resources
Gastar Exploration
GulfMark Offshore
GMX Resources
Helmerich & Payne
Hiland Partners
Key Energy
Natural Gas Systems
Nutech Energy
Offshore Logistics
Petrohawk Energy
Plains EXP
Quicksilver Resources
Rosetta Resources
Sandridge
Seahawk Drilling
Superior Energy
Team Inc.
Tetco Stores
TETRA Technologies
Toreador Resources
Unit Corporation

Bankruptcy Clients

Amresco
Drypers Corporation
Enron Corporation
(assisted Enron subsidiaries during Ch. 11 reorganization, while serving as expert witness in litigation case on behalf of Enron Employee Committee vs. Enron Corp)
LTV Steel
Mariner Energy
Williams Communications