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**IN THE UNITED STATES DISTRICT COURT
IN AND FOR THE STATE OF UTAH**

SAVOY ENERGY, LLC, a Utah limited liability
company,

Plaintiff,

vs.

NEW MEXICO INSTITUTE OF MINING AND
TECHNOLOGY, a higher education institution
and political subdivision of the State of New
Mexico,

Defendant.

Case No.: 2:10-cv-10-DB

Judge: Dee Benson

COMPLAINT

Savoy Energy, LLC (“Savoy”) hereby complains against New Mexico Institute of Mining and Technology (“NM Tech”) as follows:

1. Savoy is a Utah limited liability company doing business in the State of Utah.
2. NM Tech is an institution of higher education and political subdivision of the State of New Mexico.
3. This Court has jurisdiction over this matter pursuant to 28 U.S.C. § 1332 wherein the matter in controversy exceeds the sum or value of \$75,000, exclusive of interest and costs,

and is between citizens of different States.

4. Venue is proper in this Court because a substantial part of the events or omissions giving rise to the claim occurred in the State of Utah, the contract was intended to be performed in the State of Utah, and the property that is the subject of the action is situated in the State of Utah.

5. On or about June 6, 2008, NM Tech signed and entered into an Agreement (“Agreement”) with Savoy wherein Savoy agreed to act as NM Tech’s subcontractor and the operator of the CO₂ gas field to be utilized in a CO₂ sequestration injection project (the “Project”). The value of the Agreement exceeded 10 Million Dollars.

6. The Project was awarded to NM Tech by the United States Department of Energy (“DOE”), award number DE-FC26-05NT42591.

FIRST CAUSE OF ACTION
[BREACH OF CONTRACT]

7. Plaintiff herein restates and realleges the allegations set forth in paragraphs 1 through 6, as though set forth hoc verba.

8. The Agreement is a valid and enforceable contract which provided to both parties certain rights, duties and obligations.

9. At all times material herein, Savoy was obligated under the Agreement to act as the field operator for the Project, as described in the Agreement. At all times material herein, NM Tech was obligated to Savoy for its performance according to the terms of the Agreement, including the installation of certain infrastructure and improvements.

10. The infrastructure and improvements constituted, at least in part, NM Tech’s consideration under the contract, were essential to the success of the Project and would enable Savoy to conduct additional future business associated with the gas field.

11. At all times material herein, Savoy performed its obligations under the Agreement. NM Tech has failed to perform under the Agreement.

12. NM Tech has received the benefit of Savoy's performance under the Agreement, including Savoy's personnel and investments in the CO2 industry, but has not given its consideration according to the terms of the Agreement.

13. According to Article XVIII of the Agreement, the parties may only terminate the Agreement as follows: "Either party upon thirty (30) days written notice to the other Party may terminate this Agreement **for cause**" (*emphasis added*).

14. By letter dated April 17, 2009, NM Tech gave notice to Savoy that it was terminating the Agreement because "NM Tech has determined that it is in our best interest to terminate the contract."

15. Savoy alleges that NM Tech's termination does not qualify as a valid "for cause" termination under the conditions for termination contained in Article XVIII of the Agreement, but was an impermissible termination and a material breach of the Agreement. Savoy must be restored to the position it would have occupied in the absence of the breach.

16. Upon information and belief, NM Tech owes Savoy for damages, including expectation damages for the value of the promised infrastructure and improvements, unpaid wages for services rendered and the value of supplies and equipment provided, in an amount to be proven at trial in excess of \$75,000.00.

17. The Agreement has alternative dispute resolution requirements that may be implemented by the parties.

SECOND CAUSE OF ACTION
[BREACH OF IMPLIED COVENANT OF GOOD FAITH AND FAIR DEALING]

18. The Plaintiff herein restates and realleges the allegations contained in Paragraphs

1 through 17, as though set forth hoc verba.

19. NM Tech had an implied duty to deal with Savoy fairly and in good faith.

20. NM Tech represented to Savoy that it intended to fully perform its obligations and comply with the terms of the Agreement.

21. NM Tech has repeatedly violated the terms and provisions of the Agreement and failed to perform its obligations as promised.

22. Savoy has made every effort to comply with the Agreement and has sought adequate assurances of performance from NM Tech to no avail.

23. By engaging in the conduct alleged in this Complaint, NM Tech has breached its implied covenant of good faith and fair dealing.

24. As a result of NM Tech's bad faith, Savoy has been damaged in an amount to proven at trial.

THIRD CAUSE OF ACTION
[FRAUD]

25. Plaintiff herein restates and realleges the allegations contained in Paragraphs 1 through 24, as though set forth hoc verba.

26. The Project involves the extraction and sequestration by injection of CO₂ into natural occurring geological formations.

27. Plaintiff alleges that the funding for the Project was contingent upon NM Tech successfully maintaining a site location for the Project.

28. Upon information and belief, NM Tech originally entered into a subcontract with another company, believed to be Manzano, LLC ("Manzano"), to operate and manage gas harvesting and injection for the Project. Manzano terminated its agreement with NM Tech.

29. Brian McPherson of NM Tech sought to replace Manzano so that the DOE

funding could be maintained.

30. Plaintiff alleges that NM Tech entered into the Agreement with Savoy for the sole purpose of having Savoy act as a stop-gap contractor so that the DOE funding could be maintained until another contractor/field operator could be found. NM Tech did not intend to perform under the Agreement. Brian McPherson of NM Tech was intricately involved with the decision to contract with Savoy and to terminate the Agreement. Savoy believes that NM Tech's fraud occurred during contract formation, during Savoy's execution of its contractual duties, and/or during NM Tech's termination of the Agreement.

31. Savoy proceeded with performance of the Agreement as a result of NM Tech's misrepresentations that it would perform under the Agreement.

32. Savoy committed substantial personnel and resources to the fulfillment of its obligations and severely changed its position in order to satisfy its duties under the Agreement.

33. NM Tech's actions constitute fraud and misrepresentation against Savoy.

34. Savoy relied to its detriment upon the false representations of NM Tech.

35. As a result of NM Tech's fraud, Savoy's expectations under the Agreement were never realized and Savoy has been damaged in an amount to be proven at trial.

FORTH CAUSE OF ACTION
[UNJUST ENRICHMENT]

36. Plaintiff herein restates and realleges the allegations contained in Paragraphs 1 through 35, as though set forth hoc verba.

37. NM Tech received the value of labor, effort and/or materials committed toward the Project by Savoy and the value of maintaining its contract with the DOE through the efforts of and Agreement with Savoy.

38. NM Tech has been unjustly enriched by not paying Savoy for the value of the

labor, effort and materials (valued in the hundreds of thousands of dollars) committed toward the Project by Savoy and by being able to maintain its contract for the Project with the DOE (valued in they millions of dollars) at Savoy's expense.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff prays for Judgment against Defendant as follows:

1. For Judgment against Defendant for Breach of Contract in excess of \$75,000 in an amount to be proven at trial;
2. For Judgment against Defendant for Breach of the Implied Covenant of Good Faith and Fair Dealing in excess of \$75,000 in an amount to be proven at trial;
3. For Judgment against Defendant for Tortious Fraud and Misrepresentation in excess of \$75,000 in an amount to be proven at trial;
4. For Judgment against Defendant for unjust enrichment in an amount in excess of \$75,000 in an amount to be proven at trial;
5. For punitive damages against Defendant in excess of \$75,000 in an amount to be proven at trial;
6. For Plaintiff's reasonable attorney's fees and costs incurred herein;
7. For such additional relief this Court may deem just and proper.

DATED this 4th day of January, 2010.

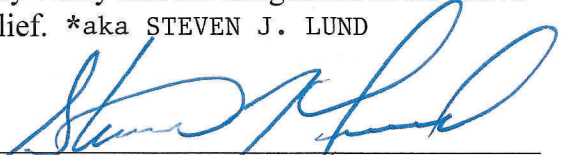
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VERIFICATION

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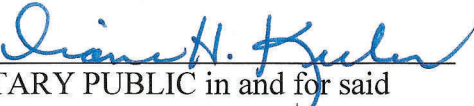
I, Steve Lund, having been duly sworn, do hereby verify that the allegations in the above complaint are true and correct to my knowledge and belief. *aka STEVEN J. LUND



Steve Lund aka STEVEN J. LUND

STATE OF UTAH)
) ss.
COUNTY OF SANPETE)

On this 30th day of December, 2009, personally appeared before me, a Notary Public in and for said County and State, Steve Lund,* known to me to be the person described in and who executed the foregoing verification, who acknowledged to me that he executed the same freely and voluntarily and for the uses and purposes therein mentioned. *aka STEVEN J. LUND



NOTARY PUBLIC in and for said
County and State

