



**RESOLUTION OF THE GOVERNING BODY
OF THE
THREE AFFILIATED TRIBES
OF THE
FORT BERTHOLD INDIAN RESERVATION**

A Resolution entitled, "Approval of Black Rock Resources LLC Proposal for Oil/Gas Development."

- WHEREAS,** This Nation having accepted the Indian Reorganization Act of June 18, 1934, and the authority under said Act; and
- WHEREAS,** The Three Affiliated Tribes Constitution authorizes and empowers the Mandan, Hidatsa & Arikara Tribal Business Council to engage in activity on behalf of and in the interest of the welfare and benefit of the Tribes and of the enrolled members thereof; and
- WHEREAS,** The Natural Resources Committee of the Tribal Business Council has reviewed the proposal by Black Rock Resources, LLC of Denver, Colorado; and
- WHEREAS,** The Fort Berthold Indian Reservation of the Three Affiliated Tribes comprises approximately 1,000,000 acres and had within it potentially significant oil and gas resources worth many hundreds of millions of dollars, as it lies within the generally accepted geologic formation known as the Williston Basin, a proven oil field since the early 1950's; and
- WHEREAS,** The Three Affiliated Tribes, exercising its rights as an Indian Nation, is actively seeking to develop its resources for the economic benefit of all of its members, which will provide both increased revenue to individual members and increased employment for tribal members; and
- WHEREAS,** The Three Affiliated Tribes has been approached by Black Rock Resources, LLC out of Denver, Colorado to develop potential oil resources in the Bakkan formation on nine blocs of land it has identified for development, the first four blocks of land are designated for immediate development; and
- WHEREAS,** Black Rock Resources, LLP has submitted a proposal to develop the Bakkan formation on the identified blocks of land and the terms of the proposal look very favorable to the Tribal Business Council; and
- WHEREAS,** The Tribal Business Council desires to enter into an Indian Mineral Development Act Agreement with Black Rock Resources provided Blocks 1 through 4 shall have a five-year primary term and a one-sixth (1/6) royalty, \$35.00 per net acre bonus and \$2.00 lease as well as favorable drilling commitments.



NOW THEREFORE BE IT RESOLVED, The Three Affiliated Tribes hereby approves of entering into an Indian Mineral Development Act Agreement with Black Rock Resources, LLC to include the following stipulations in addition to those required in the 1982 Indian Mineral Development Act:

1. A primary term of five years with a one-sixth ($1/6$) royalty, a Thirty-five Dollar (\$35) bonus per net acre, and a two dollar (\$2) yearly rental;
2. Taxes (including but not limited to severance, production, extraction, TERO, state or tribal, which burdens Black Rock Resources' interests on the Ft. Berthold Reservation) shall not exceed eleven percent (11%);
3. The Tribes shall agree to giving a Right of First Refusal on land Blocks 5 through 9 for a period of five years, with the right to match any offers to lease all or part of each block provided that Black Rock Resources, LLC shall pay a premium of five percent (5%) over the price offered by a third party for lease bonus, rents and royalty at not less than $1/6$ th in order to exercise this First Right of Refusal. (The five percent premium is understood to be a 1.05% of any offer and not a flat 5% added to any offer.);
4. Black Rock Resources, LLC shall drill one well within one year of the execution of the lease and another well within one year of completion of the first well; and
5. The timeline for the completion of the Indian Mineral Development Act Agreement shall be not later than May 15, 2005.

NOW THEREFORE BE IT FURTHER RESOLVED, that the Tribal Business Council designates the Natural Resources Department and the Legal Department to negotiate and finalize an Indian Mineral Development Act Agreement with Black Rock Resources, LLC consistent with this resolution.

BE IT FINALLY RESOLVED, that the Chairman of the Tribal Business Council is hereby authorized to execute a finalized Indian Mineral Act Development Agreement on behalf of the Three Affiliated Tribes and that either the Vice-Chairman, Secretary or Treasurer may sign as a co-signatory on said Agreement.



THREE AFFILIATED TRIBES
TRIBAL BUSINESS COUNCIL
REGULAR MEETING NO. 05-07-NH
MARCH 14, 2005

CALL TO ORDER:

Vice-Chairman Marcus Wells, Jr., convened the meeting at 10:40 a.m. with invocation by Councilman White Calf.

ROLL CALL: Chairman Tex G. Hall [11:00] Councilman Marcus Wells, Jr., Councilman Malcolm Wolf, Councilman Mervin Packineau, and Councilman Nathan Hale.

Members Absent: Councilman Daylon Spotted Bear and Councilman Malcolm Wolf [left at 12:30 p.m. and returned at 3:00 p.m.]

01. RESOLUTION NO. 05-55 NH, APPOINTMENT OF BOARD/COMMISSIONERS WHITE SHIELD:

Councilman Wolf moved for approval of a Resolution entitled, "Election White Shield Area Boards and Commissions, for terms from February 2005, thru November 2006." Councilman Hale seconded the motion.

BOARDS AND COMMISSIONERS ARE: Fort Berthold Housing Authority Board [Danile Henry] Four Bears Casino, [Don Yellow Bird] KMHA/MHA Board [Diana Howling Wolf] TERO Commission, [Pricilla Young Bird Fort Berthold Community College [Dewy Hosie], Fort Berthold Development [Fred Fox]

VOTE: 5 Ayes, 0 Nays, 0 Abstentions, 0 Not voting. Motion carried.

02. RESOLUTION NO. 05-56-NH, GAMING COMMISSION WHITE SHIELD

Councilman Packineau moved for approval of a Resolution entitled, "Election White Shield Area Gaming Enterprises Advisory Board." Councilman Hale seconded the motion.

DISCUSSION: Gerald White Sr. was elected to serve on the TAT Gaming Commission February, 2005 and commencing November, 2006.

VOTE: 5 Ayes, 0 Nays, 0 Abstentions, 0 Not voting. Motion carried.

03. RESOLUTION NO. 05-57-NH, FORT BERTHOLD HOUSING AUTHORITY [RESCINDS RESOLUTION 00-87-DSB]

Councilman Hale moved for approval of a Resolution, "entitled, \$750,000 JTAC Funds to the Fort Berthold Housing Authority. Councilman White Calf seconded the motion.

Councilman Hale amended his motion to change the figure of, "\$750,000 to \$500,000." Councilman White Calf seconded the motion.

VOTE: 5 Ayes, 0 Nays, 0 Abstentions, 0 Not voting. Motion carried.

NOTE: Chairman Hall entered [at 11:00 a.m.] and Vice-Chairman Wells turned the chair over to him.

04. RESOLUTION NO. 05-58-NH, LINE OF CREDIT FOUR BEARS/NORTH SEGMENT ELDER HOMES PROJECT DULY APPROVED ON FY -2005:

Councilman Wolf moved for approval of a Resolution entitled, "Line of Credit for the Four Bears Segment Elder Home Projects duly approved on FY-2005 to include the following names, Geraldine Wounded Face (Four Bears) Shirley Smith (Four Bears) Gail Baker (Four Bears.) Councilman Hale seconded the motion.

Councilman Wolf amended his motion, "to include the costs of \$75,000 to \$85,000 to construct a home for Mary Elk that will be located in the North Segment, with Esley Thornton, Sr. changing his residence from Four Bears to the North Segment; and that collateral is working capital. Councilman Hale concurred with the amended

VOTE: 5 Ayes, 0 Nays, 1 Abstention, 0 Not voting. Motion carried.

05. DEVELOPING FINANCIAL PLAN:

Councilman Wells moved for approval to direct the CEO, Treasurer, and appropriate Finance Staff, to meet every Monday morning to develop a financial plan and present their findings and recommendations at the April 14, 2005 TBC Meeting. Councilman Hale seconded the motion.

VOTE: 6 Ayes, 0 Nays, 0 Abstentions, 0 Not voting. Motion carried.

06. TRAVEL FREEZE:

Councilman Hale moved for approval to have appropriate staff give a directive that all travel will be put on hold, with an exception of only for extreme emergency purposes, case by case, if they are on the Federal Budget, **and only** if they have funds available in their line item; also absolutely no purchasing and or hiring until the budget is balanced. Councilman Wells seconded the motion.

VOTE: 6 Ayes, 0 Nays, 0 Abstentions, 0 Not voting. Motion carried.

07. RESOLUTION NO. 05-59-NH, ADOPTION OF FY-05 GENERAL FUND BUDGET:

Councilman Wells moved for approval of the FY-05 General Fund [\$ 23,565.050] as amended with a deficit of \$5, 9360.50 that a line of credit or a loan would financially support. Councilman White Calf seconded the motion.

VOTE: 4 Ayes, 1 Nay, 0 Abstentions, 0 Not voting. Motion carried.

08. ACCOUNTING RESOLUTION:

This matter was deferred.

09. **FOUR BEARS AREA:**

- Water tower constructed- All residents in the Four Bears area will be hooked up to water.
- Four Bears Daycare 3 weeks Grand Opening
- Groundwork begins on the Convenience Store

10. **MANDAREE AREA:**

- Convenience Store
- Segment Vehicle

11. **PARSHALL:**

Easter Dinner April 23, 2005

[Break 1:18 p.m. Reconvened at 1:40 p.m.]

12. **TREASURERS REPORT:**

- Acting Chief Financial Officer Recommendation
- Procurement
- Performance Measure and Goals for CFO Implementing strategies
- New Software
- Providing a current balance
- Annual review
- Policies and Procedures

13. **ACTING CHIEF FINANCIAL OFFICER:**

Councilman White Calf moved for approval to appoint Kim Connelle as Acting Chief Financial Officer with a salary of \$65,000 until June, 2005, when his performance will be evaluated. Councilman Packineau seconded the motion.

VOTE: 6 Ayes, 0 Nays, 0 Abstentions, 0 Not voting. Motion carried.

14. **RESOLUTION NO. 05-60-NH, APPROVAL OF BLACK ROCK RESOURCES LLC PROPOSAL FOR OIL/GAS DEVELOPMENT:**

Councilman Wells moved for approval of a Resolution entitled, "Approval of Black Rock Resources LLC Proposal for Oil and Gas Development. Councilman White Calf seconded the motion.

VOTE: ^{65 0} 5 Ayes, 1 Nays, 0 Abstentions, 0 Not voting. Motion carried. ¹ *Listened to tape VOTE READS (M.B - ASB) 9-11-06*

15. **RESOLUTION NO. 05-61-NH, REQUEST ALL LAKESHORE LANDS BE RETURNED TO THE TRIBE:**

Councilman Wells moved for approval of a Resolution entitled, "Request all Lakeshore lands be returned to the Tribe." Councilman White Calf seconded the motion.

VOTE: 5 Ayes, 0 Nays, 0 Abstentions, 0 Not voting. Motion carried.

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16. **BUREAU OF INDIAN AFFAIRS GRAZING LEASES: Executive Session**
Councilman Wells moved for approval of a recommendation from the Bureau of Indian Affairs and Tribal Natural Resources Department to provide a notice to each person who currently holds a grazing permit, informing them that Resolution No. 00-02-DSB will be strictly enforced. Councilman Hale seconded the motion.

VOTE: 5 Ayes, 1 Nay, 0 Abstentions, 0 Not voting. Motion carried.

17. **TRIBAL HOUSING DIVISION CONTRACT- CONSULTANT AGREEMENT DENNIS DEUTSCH TAT-ADMINISTRATION:**
Councilman White Calf moved for approval of a consultant agreement between Tribal Housing Division and Dennis Deutsch for the amount of \$4500 per month from April 1, 2005 and ending April 1, 2006; Councilman moved for approval of a consultant agreement between Dennis Deutsch and the Tribal Administration to provide consultation in the form of construction planning, coordination, and supervision of construction until the completion of said projects: 1) Mandaree School @ \$1000 per month and 2) Justice Center & North Segment Community Building @ \$500 per month, further, that the consultant shall be retained for the period beginning March 1, 2005 and ending September 30, 2005, with the compensation not to exceed \$10,500.00. Councilman Wells seconded the motion.

Councilman White Calf amended his motion to also include language, "trading in current vehicle and purchasing a pick-up truck for the Tribal Housing Division."

VOTE: 6 Ayes, 0 Nays, 0 Abstentions, 0 Not voting. Motion carried.

- (Tape 3)
18. **TRIBAL HOUSING DIVISION PURCHASE OF MOBILE HOME: RICHARD/GENA MAYER:**
Councilman Packineau moved for approval to authorize the Tribal Housing Division to purchase a double wide mobile home from Richard and Gena Mayer for \$35,000, subject to an appraisal cost. Councilman Wells seconded the motion.

VOTE: 5 Ayes, 1 Nays, 0 Abstentions, 0 Not voting. Motion carried.

19. **RFP – HIP RENOVATION:**
Councilman White Calf moved for approval of a HIP renovation contract between the Tribal Housing Division and the lowest bidder, Remack Line Construction Company who also falls under Indian preference. Councilman Wells seconded the motion.

VOTE: 5 Ayes, 0 Nays, 0 Abstentions, 0 Not voting. Motion carried.

20. **RESOLUTION NO. 05-62-NH, PURCHASE OF THE NEW TOWN LADY EAGLES STATE BASKETBALL TICKETS 2005.**
Councilman Wells moved for approval to pay for the New Town" Lady Eagles," State basketball Tickets @ \$10, 104.00 for the 2005 State B Girls Basketball games. Councilman Packineau seconded the motion.

VOTE: 6 Ayes, 0 Nays, 0 Abstentions, 0 Not voting. Motion carried.

21. **DAMON BRADY [2] DAUGHTERS GOING TO NATIONAL BASKETBALL.**
Councilman Wells moved for approval to grant \$250 respectively to Leigh Ann Brady and Anna Leigh Brady to attend a National Basketball Tournament. Councilman Wolf seconded the motion.

VOTE: 6 Ayes, 0 Nays, 0 Abstentions, 0 Not voting. Motion carried.

22. Roads Department: The Director will handle this situation as it involves internal problems.

23. **RESOLUTION DRUG TASK FORCE FOR WESTERN ND.**
Informational Drug Presentation – Jurisdictional issues, tribal code extradition domestic violence programs. Thomas Jones, FBI Fargo, and Jan Warley, States Attorney, will be asked to make their presentation on war against drugs. They are requesting a Resolution from the Tribe to set up a “Drug Task Enforcement.” Questions were raised regarding the broader impact it may have on the Social Service Division with money available for the treatment aspect.

24. **WENDELL WHITE FINANCIAL REQUEST:**
Councilman Wolf moved for approval of the request of Wendell White to travel to Helena Montana to attend a workshop on Post Traumatic Stress Disorder [PTSD], subject to the Tribal Travel and Per Diem Policy, and to have the CEO determine if the costs can be taken from the Vocational Rehabilitation Project, and if not, to take it from the grants and donations line item. Councilman Wells seconded the motion.

VOTE: 6 Ayes, 0 Nays, 0 Abstentions, 0 Not voting. Motion carried.

25. **CHARLENE FREDERICKS GOURDE EDUCATIONAL LOAN:**
Councilman Wells moved for approval of a \$2,000 educational loan for Charlene Fredericks Gourde. Councilman Packineau seconded the motion.

VOTE: 6 Ayes, 0 Nays, 0 Abstentions, 0 Not voting. Motion carried.

26. **EDA/CEDS PROGRAM ADMINISTRATION:**
Councilman White Calf moved for approval of a lay-off of Marian Spotted Bear as the EDA Administrator and to temporary appoints Tara Young Bird as the Acting EDA/CEDS Administrator until the position can be advertised and filled. Councilman Hale seconded the motion.

VOTE: 6 Ayes, 0 Nays, 0 Abstentions, 0 Not voting. Motion carried.

27. **ADJOURNMENT:**
Councilman White Calf moved for approval to adjourn the meeting at 5:40 p.m. Councilman Wells seconded the motion.

VOTE: 6 Ayes, 0 Nays, 0 Abstentions, 0 Not voting. Motion carried.

CERTIFICATION

I, the undersigned, as Secretary of the Tribal Business Council of the Three Affiliated Tribes of the Fort Berthold Indian Reservation, hereby certify that the Tribal Business Council is composed of seven (7) members of whom five (5) constitute a quorum 7 were present at the **Continuation Meeting** thereof duly called, noticed, convened and held on the 19th day of May, 2005; that the foregoing Minutes were amended and duly adopted at such meeting by the affirmative vote of 7 members; 0 members opposed; 0 members abstained; 0 Members not voting.

Chairman [] Voting. [] Not voting.

Dated this 19TH day of May, 2005.

ATTEST:

Tribal Secretary, Nathan Hale
Tribal Business Council,
Three Affiliated Tribes

Tribal Chairman, Tex G. Hall
Tribal Business Council,
Three Affiliated Tribes



CERTIFICATION

I, the undersigned, as Secretary of the Tribal Business Council of the Three Affiliated Tribes of the Fort Berthold Reservation, hereby certify that the Tribal Business Council is composed of 7 members of whom 5 constitute a quorum, 5 were present at a Regular Meeting thereof duly called, noticed, convened, and held on the 14 day of March 2005; that the foregoing Resolution was duly adopted at such Meeting by the affirmative vote of 5 members, 0 members opposed, 0 members abstained, 1 members not voting, and that said Resolution has not been rescinded or amended in any way.

Chairman voting. [] not voting.

Dated this 14 day of March 2005.

Handwritten notes:
Listened to tape (ASB/MB) 9-11-04
vote
Refer to present
march
14th
minutes
2005

ATTEST:

[Signature]
Chairman, Tex G. Hall
Tribal Business Council

[Signature]
Executive Secretary, Nathan Hale
Tribal Business Council



CERTIFICATION

I, the undersigned, as Secretary of the Tribal Business Council of the Three Affiliated Tribes of the Forth Berthold Reservation, hereby certify that the Tribal Business Council is composed of 7 members of whom 5 constitute a quorum, 6 were present at a Regular Meeting thereof duly called, noticed, convened, and held on the 14th day of March 2005; that the foregoing Resolution was duly adopted at such Meeting by the affirmative vote of 5 members, 0 members opposed, 1 members abstained, 0 members not voting, and that said Resolution has not been rescinded or amended in any way.

Chairman [] Voting. [] Not voting.

Dated this 14 day of March, 2005.

ATTEST:

Tribal Secretary, Nathan Hale
Tribal Business Council
Three Affiliated Tribes

Tribal Chairman, Tex G. Hall
Tribal Business Council
Three Affiliated Tribes