



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

*A Resolution entitled, "Tribal Minerals Agreement Between the Three Affiliated Tribes of the Fort Berthold Indian Reservation and Dakota-3, LLC, a North Dakota Limited Liability Company".*

**WHEREAS,** This Nation having accepted the Indian Reorganization Act of June 18, 1934, and the authority under said Act and having adopted a Constitution and By-laws under said Act; and

**WHEREAS,** Article III of the Constitution of the Three Affiliated Tribes (hereinafter the "Tribe") authorizes and empowers the Tribal Business Council to engage in activities on behalf of and in the interest of the welfare and benefit of the Tribes and of the enrolled members thereof; and provides that the Tribal Business Council has the power to adopt resolutions regulating the procedure of the Tribal Business Council and other Tribal Agencies and Tribal officials on the Reservation; and

**WHEREAS,** Article VI, Section 5 (d) of the Constitution of the Three Affiliated Tribes provides that the Tribal Business Council has the power to negotiate with Federal, State and local governments on behalf of the Tribe and to advise and consult with representatives of the United States Department of the Interior on all activities that may affect the Fort Berthold Reservation; and

**WHEREAS,** Title 25, Code of Federal Regulations (CFR), part 225, authorizes mineral agreements for the development of Indian-owned mineral and tribal minerals, any joint venture, operating, production, sharing, service, managerial, lease entered into pursuant to the Act of May 11, 1938, or the Act of March 3, 1909, contract or other minerals agreement, or any amendment, supplement, or other modification of such minerals agreement; and;

**WHEREAS,** the Bureau of Indian Affairs (BIA) has not advertised an oil and gas lease sale within the past twelve (12) months to offer economic development opportunities



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for the exploratory and development of its natural resources on behalf of the Three Affiliated Tribes and its members; and

**WHEREAS,** the exploration and development of oil and gas resources within the exterior boundaries of the Fort Berthold Indian Reservation is extremely important to the economic development of the Three Affiliated Tribal Business Council and its members; and the current prices of oil and gas is a hardship to members of the Tribes; and therefore it is extremely important that this project be given special consideration; and

**WHEREAS,** Dakota-3, LLC, a North Dakota Limited Liability Company, a majority Indian-owned company whose principal owner is an enrolled member of the Three Affiliated Tribes, is offering a Tribal Minerals Lease Agreement to the Three Affiliated Tribes for the lease and development of oil and gas resources as described in the attached Lease Agreement; and

**WHEREAS,** the Agreement will lease 15,720 mineral acres from the Tribe and provide to the Tribes a bonus of \$40 per acre of Tribal mineral acres leased; an annual rental for each acre of \$2 per acre; and a royalty of 18% of the value of the oil and gas produced; and

**WHEREAS,** the Agreement will provide the Tribe an additional twelve percent (12%) revenue share in the form of a "working interest", granted to the Tribe in phases as follows: 4% after recovery of all costs associated with developing and drilling the well that is producing oil or gas in paying quantities; the subsequent 4% will be obtained when the investor(s) realize 50% of return on investment; the final 4% will be obtained when the investor(s) realize 100% of return on investment for a total of 12%; and

**WHEREAS,** the Agreement also provides a minimum two-well drilling commitment on lands owned by the Tribe within the first eighteen (18) months of the Agreement being in effect; and

**WHEREAS,** the Tribal Business Council is willing to execute the attached Tribal Minerals Agreement to offer an opportunity to develop the natural resources of the Tribe in order to provide much needed income for the benefit of its members and promote economic development within the exterior boundaries of the Fort Berthold Indian Reservation.

**NOW THEREFORE BE IT RESOLVED,** that the Three Affiliated Tribes, acting through its duly elected Tribal Business Council, does hereby approve the Tribal Mineral Lease Agreement as described herein and as attached hereto, subject to legal review by the Tribe, and further review by the Department of Interior, acting



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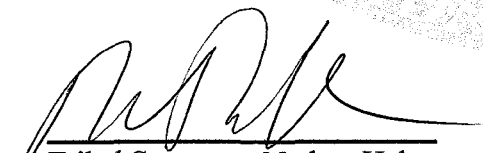
through the Bureau of Indian Affairs and its Energy and Minerals Resources Division; the Bureau of Land Management; and the Minerals Management Service, and possibly other agencies, with the understanding that any or all of the approving agencies may require further revisions to the Agreement in conformance with existing law and regulation before approval; and

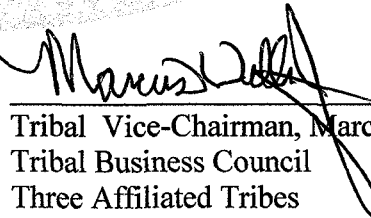
**THEREFORE, BE IT FURTHER RESOLVED,** that the Three Affiliated Tribes, acting through its duly elected Tribal Business Council, does hereby authorize its Chairman or Vice-Chairman and such officer of the Executive Committee as may be necessary to execute the attached Lease Agreement and any other document that may be necessary to be executed in connection with the Lease Agreement, including any official forms required by the Bureau of Indian Affairs for the leasing of lands that are described in the attached Lease Agreement, and any revisions to such Lease Agreement that may be required by any agency that must approve the attached Lease Agreement.

**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 Special Tribal Business Council Meeting thereof duly called, noticed, convened, and held on the 27<sup>th</sup> day of June, 2006; that the foregoing Resolution was duly adopted at such Meeting by the affirmative vote of 5 members, 0 members opposed, 0 members abstained, 0 members not voting, and that said Resolution has not been rescinded or amended in any way.

Dated this 27<sup>th</sup> day of June, 2006.

  
Tribal Secretary, Nathan Hale  
Tribal Business Council  
Three Affiliated Tribes

**ATTEST:**  
  
Tribal Vice-Chairman, Marcus Wells, Jr.  
Tribal Business Council  
Three Affiliated Tribes