



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

A Resolution Entitled: “RESOLUTION AFFIRMING CURRENT TAX STRUCTURE PERTAINING TO OIL AND GAS PRODUCTION UNDER THE TRIBAL TAX CODE OF THE THREE AFFILIATED TRIBES SUBJECT TO REFINING FOR PURPOSES OF AUTHORIZING THE TAX DEPARTMENT AND LEGAL DEPARTMENT TO CONDUCT PRELIMINARY INVESTIGATIONS FOR AN OIL AND GAS TAX AGREEMENT WITH THE STATE OF NORTH DAKOTA”

WHEREAS, this the Three Affiliated Tribes having accepted the Indian Reorganization Act of 1934, and the authority under said

WHEREAS, Article I of the Constitution and Bylaws of the Three Affiliated Tribes establish that the jurisdiction of the Three Affiliated Tribes shall extend to all persons, and to all lands, within the exterior boundaries of the Fort Berthold Indian Reservation; and

WHEREAS, the Constitution and Bylaws of the Three Affiliated Tribes generally authorizes and empowers the Tribal Business Council of the Three Affiliated Tribes to engage in activities on behalf of, and in, the interest of the welfare and benefit of the Three Affiliated Tribes, and the enrolled members thereof; and

WHEREAS, Section 3 of Article VI of the Constitution and Bylaws of the Three Affiliated Tribes specifically authorizes and empowers the Tribal Business Council of the Three Affiliated Tribes to exercise all necessary sovereign authority – legislative and judicial – for the purpose of exercising the jurisdiction granted in Article I of the Constitution and Bylaws of the Three Affiliated Tribes, which jurisdiction expressly extends over all lands, including non-Indian owned fee lands situated, and over all persons, natural and real, including non-Indians, resident, and/or doing business within the exterior boundaries of the Fort Berthold Indian Reservation; and

WHEREAS, Section 5 (1) of Article VI of the Constitution and Bylaws of the Three Affiliated Tribes specifically authorizes and empowers the Tribal Business Council of the Three Affiliated Tribes enact



statutory, and regulatory, laws governing the procedures to be implemented, and complied with, by the governmental agencies, and other instrumentalities of the Three Affiliated Tribes; and

WHEREAS, in view of federal jurisprudence recognizing the broad extent of the inherent sovereign authority of Indian tribes to impose tax requirements on non-Indians, resident, and/or engaged in business, or other activities, not only on trust lands, but also on fee lands situated within reservation boundaries, the Three Affiliated Tribes intend to invoke this authority through appropriate means, in a consistent manner, to realize supplemental tax revenues derived from the establishment, assessment, and collection of Tribal taxes; and

WHEREAS, the Three Affiliated Tribes possess a Gross Production Tax, enacted in 1988 by #88-38-TL, and amended in 2003 by #03-276-RP, and a Possessory Interest Tax, which apply to oil and gas production; and

WHEREAS, the Three Affiliated Tribes wish to establish a mutually beneficial arrangement that would address all concerned interests in meeting consistency, stability, and provide a source of reliable tax revenue that would not impair oil and gas development with its attendant interests on the Fort Berthold Indian Reservation; and

WHEREAS, the Tribal Business Council of the Three Affiliated Tribes, in its considered judgment, has indicated an intent to establish a consistent tax structure that would reconcile types of taxes, e.g. Gross Production, Possessory Interest, Extraction, by refining the current tribal tax structure that apply to oil and gas development on the Fort Berthold Indian Reservation.

NOW THEREFORE BE IT RESOLVED that the Tribal Business Council of the Three Affiliated Tribes hereby affirms the current Gross Production Tax under Chapter 8, and the current Possessory Interest Tax under Chapter 7 of the Tribal Tax Code of the Three Affiliated Tribes, which address oil and gas taxation issues of the Three Affiliated Tribes on the Fort Berthold Indian Reservation.

FURTHER, BE IT RESOLVED that the Tribal Business Council of the Three Affiliated Tribes establishes a mandate to resolve issues that have arisen regarding



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implementation of the Gross Production Tax, Possessory Interest Tax, and Extraction Tax under the Tribal Tax Code of the Three Affiliated Tribes.

FINALLY, BE IT RESOLVED that the Tribal Business Council of the Three Affiliated Tribes formally authorizes preliminary investigations, which would be reported, at a time established by and to the Tribal Business Council, by the Tax Department and Legal Department for negotiating a mutually beneficial oil and gas tax agreement with the State of North Dakota that would provide for an effective term of two (2) years upon approval by the Three Affiliated Tribes and the State of North Dakota, which would apply to oil and gas wells for a period not exceed the first ten (10) years of a producing oil and gas well on the Fort Berthold Indian Reservation.

CERTIFICATION

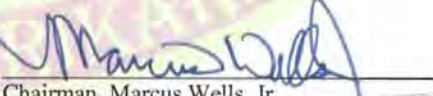
I, the undersigned as Secretary of the Tribal Business Council of the Three Affiliated Tribes of the Fort Berthold Indian Reservation hereby certify that the Tribal Business Council is composed of seven (7) members of whom five (5) constitute a quorum 7 were Present at a Regular meeting thereof duly called, noticed, convened and held on the 14th Day of February, 2008, that the foregoing Resolution was dully adopted at such meeting by the affirmative vote of 7 members, 0 members opposed, 0 members abstained, 0 members not voting, and that said Resolution has not been rescinded in any way.

Chairman { } Voting { } Not Voting

Date this 14th day of February, 2008

ATTEST:


Executive Secretary, Judy Brugh
Tribal Business Council


Chairman, Marcus Wells, Jr
Tribal Business Council