



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

A Resolution entitled, "Approval of Dakota-3, LLC's Request for Assignment of 640 acres of Leased Tribal Mineral Interests to Dakota-3 E&P, LLC"

- 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 pursuant to said Act; and
- WHEREAS,** The Constitution of the Three Affiliated Tribe generally 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
- WHEREAS,** Article III of the Constitution of the Three Affiliated Tribes provides that the Tribal Business Council is the governing body of the Tribes; and
- WHEREAS,** Article VI, Section 5(1) of the Constitution, the Tribal Business Council has the power to adopt resolutions regulating the procedures of the Tribal Business Council and other tribal agencies and tribal officials on the Reservation; and
- WHEREAS,** Article VI, Section 5(i) of the Constitution specifically authorizes and empowers the Tribal Business Council of the Tribe to make assignments and leases of Tribal lands and otherwise to manage tribal lands, Interests in Tribal lands, and property upon such lands, in conformity with Article IX of the Constitution; and
- WHEREAS,** Article IX of the Constitution specifically authorizes and empowers the Tribal Business Council to manage and lease or otherwise deal with tribal land and resources in accordance with law; and
- WHEREAS,** The 25 CFR Part 211 provides the authority and procedures for leasing tribal lands for mineral development; and
- WHEREAS,** The 25 CFR Sub-Part 211.20(a) provides that no oil and gas lease shall be approved unless it has first been offered for advertised bid sale unless the Secretary grants the Indian mineral owner written permission to negotiate for lease; and
- WHEREAS,** The 25 CFR Sub-Part 211.20(d) further provides that an Indian owner may also submit negotiated leases to the Secretary for review and approval; and
- WHEREAS,** The 25 CFR § 211.29 further provides that the regulations in this part may be superseded by the provision of any tribal constitution, by-law, or charter issued pursuant to the Indian Reorganization Act or by ordinance, resolution or other action authorized under such



Constitution, provide that such tribal law may not supersede the requirements of federal statute applicable to Indian mineral leases; and

WHEREAS, The Reservation comprises approximately 1,000,000 acres and has within it potentially significant oil and gas resources of several billion dollars in value, as it lies within Williston Basin, a geologic formation that has been developed since the early 1950's; and

WHEREAS, The Tribe is actively seeking to develop its resources for the economic benefit of all of its members which will provide both increased revenue and increased economic opportunities for tribal members; and

WHEREAS, The Three Affiliated Tribes received a proposal from *Dakota-3, LLC*, to lease 640 tribal mineral acres within the Fort Berthold Reservation, which said proposal was submitted and unanimously approved by the Tribal Business Council on October 2, 2007; and

WHEREAS, The Tribal Business Council, under Resolution 08-06-VJB approved the leasing of 640 acres to *Dakota-3, LLC*, for oil and gas development on the Fort Berthold Reservation, for the consideration of \$110 per acre bonus, eighteen (18) percent royalty and \$2.50 per acre rental for a five (5) year lease; and

WHEREAS, Resolution 08-06-VJB approved the lease for oil and gas development of said acreage specifically described as:

T149N-R93W Section 15: W ½ (320 Acres)

T149N-R93W Section 27: E ½ (320 Acres)

WHEREAS, The Tribal Business Council and *Dakota-3, LLC* have become aware that the Previously Approved Leases as ratified under Resolution 08-06-VJB have not been approved by the BIA and therefore did not become binding or effective; and

WHEREAS, *Dakota-3, LLC* now wishes to assign its mineral interests in the aforementioned acreage under the allowed provisions of the Previously Executed leases to *Dakota-3 E&P, LLC* and *Dakota-3, LLC* will receive no additional compensation for said assignment to *Dakota-3 E&P, LLC*; and

NOW THEREFORE BE IT RESOLVED, That the Tribal Business Council hereby requests that the BIA Regional Director and any other BIA officials review and approve as soon as possible the Previously Executed Leases of *Dakota-3, LLC* as approved under Resolution 08-06-VJB; and

BE IT FURTHER RESOLVED, The Tribal Business Council hereby approves the request of *Dakota-3, LLC* to assign its interests in the aforementioned tracts to *Dakota-3 E&P, LLC* and directs the BIA to expedite approve of said assignment and all Previously Approved Leases described herein.



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, 6 were present at a Special Meeting thereof duly called, noticed, convened and held on the 15th day of May, 2008, that the foregoing Resolution was duly adopted at such meeting by the affirmative vote of 6 members, 0 members opposed, 0 members abstained, 0 members not voting, and that said Resolution has not been rescinded or amended in any way.

Chairman { X } Voting. { } Not Voting.

Dated this 15th day of May, 2008.

Attest:

V. Judy Brugh
Tribal Secretary V. Judy Brugh
Tribal Business Council
Three Affiliated Tribes

Marcus Wells Jr.
Tribal Chairman, Marcus Wells Jr.
Tribal Business Council
Three Affiliated Tribes

