



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

*A Resolution entitled, "Approval of Stetson Oil & Gas Corporation Letter of Intent / 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 TAT Energy Division and Legal has reviewed the proposal by Stetson Oil & Gas, Corporation ("Stetson") of Calgary, Alberta, Canada; 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 Stetson to develop potential oil resources in the Bakkan formation on approximately 8,570 acres of land it has identified for development north of the riverbed in T148 R89W, T147N R89W and T148N R90W as specifically identified in the letter of intent (attached); and
- WHEREAS,** Stetson is in the process of leasing at fair market value individual allottee tracts adjoining the identified tribal blocks which will give Stetson key access to the Tribal acreage; and
- WHEREAS,** Stetson 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 a straight Tribal Oil and Gas Lease Agreement with Stetson, providing for a four-year primary term, a twenty and two half (22.5%) percent royalty, \$975.00 per net acre bonus, and yearly rental of \$33.00 per acre for year 1 and \$8.00 per acre for years 2 through 4; and



**NOW THEREFORE BE IT RESOLVED**, The Three Affiliated Tribes, through the Tribal Business Council, hereby agrees to enter into Oil and Gas Leases covering all the Tribal mineral interests within the land described above and specifically within the attached proposal with Stetson to include the following stipulations as specifically provided in the attached letter of intent, which shall be incorporated by reference to the resolution:

1. A primary term of four years with a 22.5% royalty, a \$975.00 bonus per net acre, and a yearly rental of \$33.00 per acre for year 1 and \$8.00 per acre for years 2 through 4;
2. The Tribal Oil and Gas Director will work with Stetson to identify, select and lease the approximately 8,570 acres and to divide these acres into 640 acre block leases with the legal descriptions identified on a map.
3. Taxes (including but not limited to severance, production, extraction, state or tribal, which burdens Stetson's interests on the Ft. Berthold Reservation) shall not exceed eleven and one half percent (11.5%);
4. Stetson shall drill 1 well within one year of the execution of the lease(s), provided Stetson receives the necessary drilling permits and a minimum of 2 additional wells prior to the end of term. With the fulfillment of their drilling commitment, Stetson will have the option of renewing lease(s).
5. All leases entered into by Stetson with the Tribe shall include a provision that any assignment of part or all of Stetson's leased mineral interests shall occur only with the Tribe's written approval. Further, any consideration received by Stetson for said assignment(s) the Tribe shall be entitled to eighty percent (80%) of all consideration received.

**NOW THEREFORE BE IT FURTHER RESOLVED**, that the Tribal Business Council designates the TAT Energy Department and the Legal Department to finalize the Tribal Oil and Gas Lease(s) with Stetson consistent with this resolution.

**BE IT FINALLY RESOLVED**, that the Chairman of the Tribal Business Council is hereby authorized to execute a finalized straight Tribal Oil and Gas Lease Agreement(s) 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.



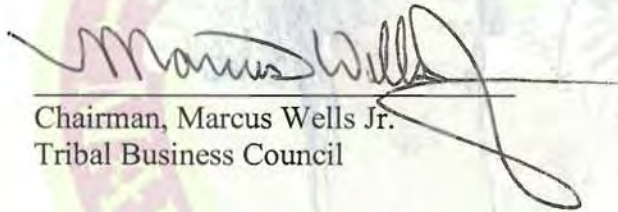
### CERTIFICATION

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, 6 were present at a Regular Meeting thereof duly called, noticed, convened, and held on the 10 day of July 2008; that the foregoing Resolution was duly adopted at such Meeting by the affirmative vote of 5 members, 1 members opposed, 0 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 10 day of July 2008.

ATTEST:



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Chairman, Marcus Wells Jr.  
Tribal Business Council



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Acting Executive Secretary, Mervin Packineau  
Tribal Business Council