



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

A Resolution entitled, "Approval of Cirque Resources LP 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 Cirque Resources, LP ("Cirque") 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 Cirque to develop Tribal Lands in Township 150N, Range 90, Sections 2, 9 and 24; and
- WHEREAS,** Cirque is in the process of leasing at fair market value individual allottee tracts adjoining the identified tribal blocks which will give Cirque key access to the Tribal acreage; and
- WHEREAS,** Cirque 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 straight Tribal Oil and Gas Lease Agreements with Cirque, providing for a three-year primary term, a one well drilling commitment, a twenty and two half percent (22 ½%) royalty, \$600.00 per net acre bonus and \$2.50 yearly lease as well as favorable drilling commitments.
- NOW THEREFORE BE IT RESOLVED,** The Three Affiliated Tribes hereby approves of entering into a straight Tribal Oil and Gas Lease Agreements with Cirque to include the following stipulations:



1. The Amount of the royalty payments shall be twenty-two and one half percent (22.5%).
2. The bonus paid per acre shall be six hundred dollars and no cents (\$600.00).
3. The initial term of the lease shall be three years with an annual delayed rental of \$2.50 per acre for lands.
4. Cirque agrees to drill at least one well on the leased acreage.
5. The amount of land to be available for lease is acknowledged to be approximately 559.68 acres in Township 150 N, Range 90 W, Section 2 Lot 1, 2, 3, 4 S½N½ (319.68 acres)
Section 9 E½SE½ (80 acres)
Section 24 SW¼ (160 acres)
6. The mineral lease shall be substantially in the same form as the BIA Oil and Gas Mining Lease.

NOW THEREFORE BE IT FURTHER RESOLVED, that the Tribal Business Council approves the lease of the aforementioned 559.63 acres to Cirque Resources LP for the terms and conditions described in the Resolution and designates the Tribal Oil and Gas Department finalize a straight Tribal Oil and Gas Lease(s) with Cirque 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 10th day of July 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 [] voting. [] not voting.

Dated this 10th day of July 2008.

 Chairman, Marcus Wells Jr.
 Tribal Business Council

ATTEST:

 Acting Executive Secretary, Mervin Packineau
 Tribal Business Council