



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

*A Resolution entitled, "Amendment of Oil & Gas Leases with Spotted Hawk Development, LLC 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 Natural Resources Committee of the Tribal Business Council has reviewed the proposal by Spotted Hawk Development, LLC ("Spotted Hawk") of Parshall, ND; 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 Tribal Business Council approved the entering into straight Oil & Gas Leases with Spotted Hawk via Resolution No. 08-120 BLB (July 16, 2008) and the Leases have been prepared and signed by the Tribal Chairman; and

**WHEREAS,** Spotted Hawk has submitted an amendment request to allow the negotiated drilling commitments to utilize spacing units comprised of a minimum of 51% tribal interests and the remainder allottee interests; and

**NOW THEREFORE BE IT RESOLVED,** The Three Affiliated Tribes hereby approves the amendment to the all Oil & Gas Leases with Spotted Hawk Development LLC to include the following amendments:

1. Section 1 of the Oil and Gas Leases is hereby amended by adding the following as the last sentence herein:

*"If Lessee has not established production in paying quantities of any substances named herein upon this lease with the term hereof, this lease*





*shall be automatically renewed for successive additional four (4) years terms, without payment of additional cash bonus, all other terms to remain the same; provided that Lessee has fulfilled the drilling commitment stated in Paragraph 3(i) during each successive four (4) year term."*

2. Strike Section 3(i) in its entirety. Replace with:

*" On or before one (1) year (three hundred and sixty-five days) after the effective date (date of approval by the Bureau of Indian Affairs) of the Lease, Lessee has an obligation (drilling commitment) to commence drilling one (1) well upon the single drilling unit (development unit) comprised of approximately 31,983 acres held by Lessee pursuant to this Lease and all other oil and gas leases held by Lessee upon acreage owned by Lessor or located within the Fort Berthold Reservation, provided that a well drilled upon land not owned by Lessor shall satisfy Lessee's drilling commitment only if fifty percent (50%) or more of the production of such well is derived from leased acreage owned by Lessor. If Lessee has properly applied for but has not received the necessary drilling permits and all other governmental approvals necessary to commence drilling within the time specified, Lessee shall have met this requirement if Lessee commences drilling within ninety (90) days after all such permits and approvals are issued. Further, prior to the expiration of the four (4) year term of this Lease stated in paragraph 1, Lessee shall be obligated to commence drilling four (4) additional wells upon the aforementioned single drilling unit (development unit) comprised of approximately 31,983 acres held by Lessee pursuant to this Lease and all other oil and gas leases held by Lessee upon acreage owned by Lessor or located within the Fort Berthold Reservation, provided that a well drilled upon land not owned by Lessor shall satisfy Lessee's drilling obligation only if fifty percent (50%) or more of the production of such well is derived from leased acreage owned by Lessor. If Lessee has properly applied for but has not received the necessary drilling permits and all other governmental approvals necessary to commence drilling any of the four (4) additional wells within the four (4) year term of the Leases, the term of all of the Leases within the aforementioned single development unit owned by Lessor shall be automatically extended for an additional period of two years. Lessor may designate all acreage held by Lessee into commercially reasonable drilling sub-units of no more than ten thousand (10,000) acres each, but such designation shall not enlarge or otherwise modify the single drilling unit upon which the drilling obligation within this paragraph relies."*



**BE IT FURTHER RESOLVED**, the BIA - Fort Berthold Agency Superintendent is hereby requested to apply the approved amendment to all oil and gas leases between the Three Affiliated Tribes and Spotted Hawk Development, LLC; and

**BE IT FINALLY RESOLVED**, that the Chairman of the Tribal Business Council is hereby authorized to execute the amendment on behalf of the Three Affiliated Tribes.

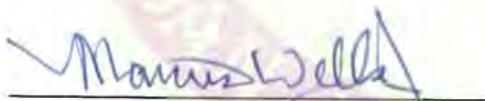
### CERTIFICATION


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 Special Meeting thereof duly called, noticed, convened, and held on the 6<sup>th</sup> day of October 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 6<sup>th</sup> day of October 2008.

ATTEST:

  
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Chairman, Marcus D. Wells Jr.  
Tribal Business Council

  
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Executive Secretary, V. Judy Brugh  
Tribal Business Council