



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

A Resolution entitled, "Approval of Shoreline Exploration 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 Shoreline Exploration, LLC ("Shoreline") of Dallas, Texas; 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 Shoreline Investments, Inc. to develop Tribal Lands in Townships 147N 88W, 147 N 87 W and 146N 88W; and
- WHEREAS,** Shoreline is in the process of leasing at fair market value individual allottee tracts adjoining the identified tribal blocks which will give Shoreline key access to the Tribal acreage; and
- WHEREAS,** Shoreline 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 Shoreline, providing for a four-year primary term, and a twenty and two half percent (22 ½%) royalty, \$300.00 per net acre bonus, \$1,000,000 "good faith" payment 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 Shoreline 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 three hundred dollars and no cents (\$300.00).
3. The initial term of the lease shall be four years with an annual delayed rental of \$2.50 per acre for lands.
4. The total area to be leased shall be divided into several leases which the parties acknowledge may number several hundred individual leases. The parties will agree to divide these leases into blocks of approximately 6,000 acres for the purposes of minimum drilling and development requirements.
5. Shoreline agrees to drill at least one well on each 6,000 acres of leased lands during the initial term of the lease. However, if at any time Shoreline determines that the wells drilled are marginal or of such a low producing value that it is not commercially reasonable to drill further wells on the lease, Shoreline can abandon the remainder of the acres allotted to the 6,000 acre tract and retain the wells drilled and completed, together with appropriate leased lands, to comply with spacing requirements, in order to recoup its investment. Any acres abandoned by Shoreline shall immediately revert back to the Tribe.
6. The amount of land to be available for lease is acknowledged to be approximately 18,753 acres which is represented on the attached map. There shall be no reduction or deviation from this map or the acreage represented therein.
7. The parties agree that in the event that any additional tribal lands become available for lease to grant to Shoreline a right of first refusal to lease the lands on terms and conditions as negotiated between the parties. Shoreline shall have ten days from receipt of the availability of any additional lands in which to exercise its option.
8. The mineral lease shall be substantially in the same form as the BIA Oil and Gas Mining Lease.
9. Shoreline intends to perform 3-D seismic studies on its leased lands that have not yet been studied. The Tribe shall have a non-revocable cooperative ownership rights in all technical data that is produced by any such studies.
10. The Tribe warrants that in areas where Shoreline cannot drill for oil and gas from its leased lands and Shoreline cannot lease the surface rights necessary on adjoining lands from which to drill, Tribe and Shoreline will cause such access to be given. Tribe agrees to



provide to Shoreline such information as is necessary to insure that Tribe can provide such access.

- 11. Shoreline agrees to pay to Tribe the sum of \$1,000,000.00 within 30 calendar days of execution of this Resolution as consideration for entering into said lease agreements. If the leases are not consummated, the Tribe agrees to refund the funds within ten business days and the Letter of Intent and associated Leases shall be null and void.

NOW THEREFORE BE IT FURTHER RESOLVED, that the Tribal Business Council designates the Oil and Gas Department and the Legal Department to negotiate and finalize a straight Tribal Oil and Gas Lease(s) with Shoreline 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.

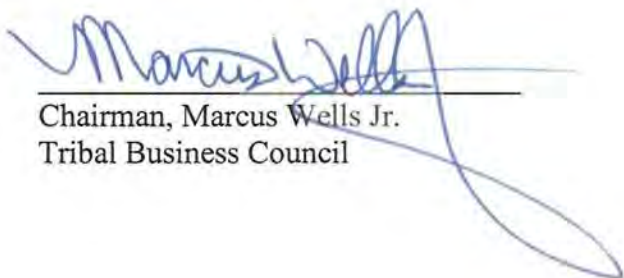
CERTIFICATION

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 Special Meeting thereof duly called, noticed, convened, and held on the 23 day of Oct 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 23 day of October 2008.

ATTEST:



 Chairman, Marcus Wells Jr.
 Tribal Business Council



 Acting Executive Secretary, Barry L. Benson
 Tribal Business Council