



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

A Resolution entitled, "Approval of Existing Oil & Gas Leases held by Spotted Hawk Development, LLC of McLean, Virginia ("Spotted Hawk") to be Consolidated into an Indian Mineral Development Agreement (IMDA) Which Shall Include Acreage Located within the Missouri Riverbed"

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; and

WHEREAS, The Fort Berthold Indian Reservation of the Three Affiliated Tribes comprises approximately one million (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 Spotted Hawk to develop potential oil resources in the Bakken formation on land it has identified for development; and

WHEREAS, Spotted Hawk has submitted a proposal to develop the Bakken 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 has previously approved several Oil & Gas Leases with Spotted Hawk for approximately thirty one thousand nine hundred eighty three (31,983) mineral acres by TAT Resolution 08-120 BLB (July 16, 2008) and as amended by TAT Resolution 08-160 VJB (October 6, 2008) that provided for a four-year primary term and a twenty-two and one half percent (22 ½%) royalty, three hundred fifty dollars (\$350.00) per net acre bonus and three dollar (\$3.00) lease as well as favorable drilling commitments; and



WHEREAS, Spotted Hawk and the Tribe also wish to enter into Paid Up Oil & Gas Lease Agreements for the Tribe's mineral interests of approximately 5,905.21 acres located within the Missouri Riverbed adjacent to Spotted Hawk's leased acreage for a five year term, a bonus of three hundred dollars (\$300.00) per acre, a royalty rate of twenty-two and one half percent (22.5%) and upfront annual rental of three dollars (\$3.00) per acre; and

WHEREAS, The Spotted Hawk wishes to consolidate the approved Oil & Gas Straight Leases and the specified acreage located within the Missouri Riverbed into a formal Indian Mineral Development Agreement.

NOW THEREFORE BE IT RESOLVED, The Three Affiliated Tribes hereby approves of entering into an Indian Mineral Development Act Agreement with Spotted Hawk to consolidate the prior approved Straight Oil and Gas Leases and additional specified tribal mineral interests located within the Missouri Riverbed to include the following stipulations in addition to those required in the 1982 Indian Mineral Development Act:

1. The original primary term of four years that shall incorporate the effective date of the original Straight Oil & Gas Leases as approved by the Bureau of Indian Affairs.
 - a. A Royalty Rate of twenty two and one half percent (22 ½%), a three hundred fifty dollars (\$350.00) bonus per net acre with credit given to bonus payments already remitted and received by the Tribe, and a three dollar (\$3.00) yearly rental.
2. Missouri Riverbed Acreage: A primary term of five (5) years with a Royalty Rate of twenty two and one half percent (22 1/2%), a three hundred dollar (\$300.00) bonus per net acre and a three dollar (\$3.00) upfront yearly rental on approximately 5,905.21 acres.
3. Spotted Hawk shall pay within fourteen (14) Calendar Days upon an executed final IMDA one hundred percent (100%) of the total bonus due and the entire upfront rental for the Missouri Riverbed Acreage as agreed by the parties. Taxes (including but not limited to severance, production, extraction, state or tribal, which burdens Spotted Hawk's interests on the Ft. Berthold Reservation) shall not exceed eleven and one half percent (11.5%);
4. Spotted Hawk shall maintain the approved drilling commitments as provided in the original approved Straight Oil and Gas Leases of one well within one year of the effective date of the original leases and an additional 4 wells within the original primary term subject to the conditions and terms of the Original Straight Oil and Gas Leases and those terms shall be incorporated into the final IMDA document.



5. The parties agree that the terms and conditions of the final IMDA shall apply to the tribal mineral acreage located within the Missouri Riverbed as provided in existing federal law.
6. Assignment. The parties agree and shall incorporate into the final IMDA a provision that the Tribe shall not unreasonably withhold its consent of an assignment of any interests held by the IMDA where Spotted Hawk maintains a controlling interest in the assignment. However, should Spotted Hawk assign its interests held by the IMDA and Spotted Hawk fails to maintain a controlling interest or only retains non-working interests, then the Tribe shall be entitled to eighty percent (80%) of any additional consideration received by Spotted Hawk that are in excess of the bonus and rentals payments already remitted by Spotted Hawk and all non-recovered capital costs incurred by Spotted Hawk in any wells completed under the IMDA or prior straight oil & Gas tribal leases.

NOW THEREFORE BE IT FURTHER RESOLVED, that the Tribal Business Council designates the Energy Department and the Legal Department to negotiate and finalize an Indian Mineral Development Act Agreement with Spotted Hawk consistent with this resolution.


BE IT FINALLY RESOLVED, that the Chairman of the Tribal Business Council is hereby authorized to execute a finalized Indian Mineral Act Development Agreement on behalf of the Three Affiliated Tribes and that the Treasurer shall sign as a co-signatory on said Agreement.

CERTIFICATION

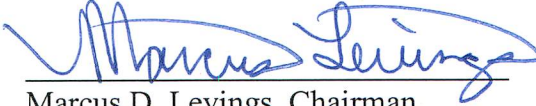
I, the undersigned, as Secretary of the Tribal Business Council of the Three Affiliated Tribes of the Fort Berthold Reservation, hereby certify that the Tribal Business Council is composed of 7 members of whom 5 constitute a quorum, 5 were present at a Regular Meeting thereof duly called, noticed, convened, and held on the 12th day of November 2009; that the foregoing Resolution was duly adopted at such Meeting by the affirmative vote of 5 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 12th day of November 2009.



V. Judy Brugh, Secretary
Tribal Business Council



Marcus D. Levings, Chairman
Tribal Business Council