



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

A Resolution entitled: *“Approval to lease 4,822.79 Acres of Lands located within the Missouri Riverbed to Spotted Hawk, LLC, for Oil and Gas Development on the Fort Berthold Reservation*

WHEREAS, This Nation having accepted the Indian Reorganization Act of June 18, 1934, and the authority under said Act and having adopted a Constitution and By-Laws pursuant to said Act; and

WHEREAS, The Constitution of the Three Affiliated Tribe generally authorizes and empowers the Tribal Business Council to engage in activities on behalf of and in the interest of the welfare and benefit of the Tribes and of the enrolled members thereof; and

WHEREAS, Article III of the Constitution of the Three Affiliated Tribes provides that the Tribal Business Council is the governing body of the Tribes; and

WHEREAS, pursuant to Article VI, Section 5(1) of the Constitution, the Tribal Business Council has the power to adopt resolutions regulating the procedures of the Tribal Business Council and other tribal agencies and tribal officials on the Reservation; and

WHEREAS, Article VI, Section 5(i) of the Constitution specifically authorizes and empowers the Tribal Business Council of the Tribe to make assignments and leases of Tribal lands and otherwise to manage tribal lands, interests in Tribal lands, and property upon such lands, in conformity with Article IX of the Constitution; and

WHEREAS, Article IX of the Constitution specifically authorizes and empowers the Tribal Business Council to manage and lease or otherwise deal with tribal lands and resources in accordance with law; and

WHEREAS, the Fort Berthold Reservation comprises approximately 1,000,000 acres and has within it potentially significant oil and gas resources as the Reservation lies within the generally accepted geologic formation known as the Williston Basin, a geologic formation that has been developed since the early 1950's; and

WHEREAS, the Three Affiliated Tribes received a proposal from Spotted Hawk, LLC, to lease tribal fee mineral acres within the Fort Berthold Reservation, for oil and gas development on the Fort Berthold Reservation, for the consideration of \$300.00 per acre bonus, twenty two and one half (22.50) percent royalty and \$3.00 per acre rental for a five (5) year lease,



NOW THEREFORE BE IT RESOLVED, The Three Affiliated Tribes hereby approves of entering into a straight Tribal Oil and Gas Lease Agreement with Spotted Hawk, LLC, to include the following stipulations:

1. The Amount of the royalty payments shall be twenty two and one half (22.50) percent.
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 three years with an annual delayed rental of \$3.00 per acre for lands
4. The amount of land within the Missouri Riverbed for lease is to be 4822.79 acres, more or less in the following:

Sections 33,32,31,28,27,23,22,15,14,11 of 152N-93W, sections 7,6,5 of 151N-93W, sections 36,25 of 151N-94W, section 4 of 149N-92W, sections 12,11 of 150N-94W, sections 28,27,26,25,19,16 of 150N-93W, section 36 of 150N-92W

BE IT FURTHER RESOLVED, That the Tribal Business Council of the Three Affiliated Tribes hereby affirms and ratifies its approval of the lease for oil and gas development of said tribal fee mineral acreage located within the following:

That part of the Missouri Riverbed within Townships 149N-92W, 150N-92W, 150N-93W, 150N-94W, 151N-93W, 151N-94W, 152N-93W located in McKenzie, Mountrail and Dunn Counties in North Dakota; and

FURTHER, BE IT RESOLVED, That the Tribal Business Council of the Three Affiliated Tribes of the Fort Berthold Reservation hereby authorizes the Tribal Chairman to execute an oil and gas lease or leases, as may be necessary, on behalf of the Tribe for the development of oil and gas on the properties described and under the terms specified.

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 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 Indian Reservation hereby certify that the tribal Business Council is composed of seven (7) members of whom five (5) constitute a quorum, 5 were present at a Regular Meeting thereof duly called, noticed, convened and held on the 17th day of December, 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.

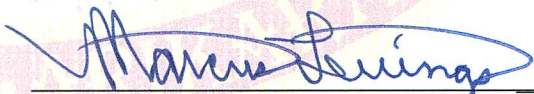
Chairman [] Voting. [] Not Voting

Dated this 17th day of December, 2009

ATTEST:



Tribal Secretary V. Judy Brugh
Tribal Business Council
Three Affiliated Tribes



Tribal Chairman, Marcus D. Levings
Tribal Business Council
Three Affiliated Tribes