



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

A Resolution: "Approval of Water Supply Agreement with Kodiak Oil and Gas"

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, Kodiak Oil & Gas ("Kodiak") has indicate its intent to enter a Water Supply Agreement (*See Attached*) with the Three Affiliated Tribes to provide water supply and disposal to the oil industry on the Fort Berthold Indian Reservation; and

WHEREAS, In exchange for a surface use Right-of-Way on Tribal Lands, Kodiak will remit to the Tribe a gross royalty of twenty-two (22%) percent of all proceeds derived from the sale of water from the proposed intake facility; and

NOW THEREFORE BE IT RESOLVED, that the Three Affiliated Tribes Tribal Business Council hereby approves Water Supply Agreement with Kodiak Oil and Gas (*See Attached*) which includes a surface use Right-of-Way approval and royalty share agreement.



Needs to be
Amended to moving H₂O only

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

A Resolution: "Approval of Water Supply & Disposal Agreement with Kodiak Oil and Gas"

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, Kodiak Oil & Gas ("Kodiak") has indicate its intent to enter a Water Supply & Disposal Agreement (*See Attached*) with the Three Affiliated Tribes to provide water supply and disposal to the oil industry on the Fort Berthold Indian Reservation; and

WHEREAS, In exchange for a surface use Right-of-Way on Tribal Lands, Kodiak will remit to the Tribe a gross royalty of twenty-two (22%) percent of all proceeds derived from the sale of water from the proposed intake facility and the revenues derived from the disposal of water to the water disposal facility; and

NOW THEREFORE BE IT RESOLVED, that the Three Affiliated Tribes Tribal Business Council hereby approves Water Supply & Disposal Agreement with Kodiak Oil and Gas (*See Attached*) which includes a surface use Right-of-Way approval and royalty share agreement.

TAT NEW RESOLUTION
DATE 5/21/2010
AMENDED NEW
RESOLUTION # 10-063-VJB



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, 7 were present at a Regular Meeting thereof duly called, noticed, convened and held on the 21st day of May, 2010, that the foregoing Resolution was duly adopted at such meeting by the affirmative vote of 7 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 21st day of May, 2010.

ATTEST:

Marcus Levings

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

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

WATER SUPPLY & DISPOSAL AGREEMENT

This Water Supply and Disposal Agr Kodiak Oil & Gas (USA) Inc. (Kodiak) and The Three Affiliated Tribes (TAT).

THAT, for and in consideration of One Dollar and other valuable consideration, receipt of which is hereby acknowledged, TAT does hereby grant to Kodiak the right and approval to construct a water intake facility and a water disposal facility at a eement ("Agreement") is made and entered into this ____ day of _____, 2010, by and between location in Sections 17 and 18 (the intake is in sec 17 but most of the facilities would be in Sec 18) of Township 148 North, Range 91 West, Dunn County, North Dakota. The particulars of the facilities and operations contemplated by this agreement are as follows:

SURFACE USE/ LOCATION

By virtue of this Agreement, TAT shall grant to Kodiak a Surface Use Lease and Right of Way on 10 acres of Tribal land in the SE/4 of Section 18, Township 148 North, Range 91 West. Additionally, TAT shall grant to Kodiak a Right of Way for access roads and pipelines for the lands depicted on the survey plats attached hereto as Exhibit "A".

THE PROJECT

Water will be conveyed to a load out station:

- Kodiak will construct a caisson style intake, approximately 50" in diameter that would be placed vertically to an approximate depth of 1785'. The Caisson will be connected to the lake bottom by approximately 950' of 12" HDPE pipe and stainless steel screen.
- Based on pre-Garrison Dam USGS Quad maps, a screen elevation of 1785' – 1790' should be attainable which puts the intake well below the 41 year historic low lake elevation of 1806'. The current lake level is around 1840'.
- approximately 1 mile away from the intake using a 100 hp vertical turbine pump and an appropriate length of 10" class 160 PVC pipe. The system will be a constant pressure system utilizing two buried pressure vessels to maintain constant system pressure. The load out station will consist of dual frost free valving to allow for the filling of 2 tanker trucks (expandable to 4) at a time. Until Electric power is available at the location, power will be supplied by a 125 KW diesel powered generator.

Key Components of the Water Intake Facility

The following is a list of components to be utilized in the facility:

WATER SUPPLY & DISPOSAL AGREEMENT

- 1000 GPM system expandable to 2000 GPM. Fills 125 barrel truck in approximately 5 minutes or two trucks in 10 minutes.
- 125 KW diesel generator provides power.
- Load station located approximately 5500 feet from intake.
- Caisson style intake provides low maintenance and expandability
- Load station set up to be lit using power from generator.
- Load station designed to accommodate 1 to 4 trucks at a time.
- Vertical turbine pump housed in heated building.
- Pressure demand system auto-starts generator when system requires water.
- Pressurized pipeline using bladder tanks (no large storage required).
- Frost free design allows for maintenance free winter operations.

WATER DISPOSAL WELL

Kodiak proposes to drill an approximate 5,500' water disposal well to the Dakota formation. The well will be located on an adjoining site to the water intake facility so that common road and rights of way may be utilized for accessing the intake facility and the disposal facility.

KOG/TAT AGREEMENT

Kodiak will incur all costs associated with the initial construction, operation and maintenance of the facilities.

- The TAT will receive a gross royalty of twenty-two percent (22%) of all proceeds derived from the sale of water from the intake facility and revenues derived from the disposal of water to the water disposal facility. No deduction shall be assessed against the gross royalty for operational costs including personnel costs, electricity costs, maintenance charges, and other operational expenses.
- Kodiak will sell water and dispose of water to and from other operators on the FBIR at its sole discretion. The rates charged for both water intake and disposal will be on a competitive basis. Kodiak would receive a 25% reduction to the rates charged to third party users.

USE PER CONTRACT and LAW

Kodiak shall make its best efforts to insure and secure all the necessary permits and decrees, including Right of Ways and Easements as needed for the Project and Kodiak shall conduct all operations in accordance with the applicable laws and decrees related to the contracted water. This Agreement shall be governed by and construed in accordance with the laws of the State of North Dakota.

ACCOUNTING OF USE

WATER SUPPLY & DISPOSAL AGREEMENT

Kodiak shall meter all produced water being produced and disposed and shall maintain an accounting of such. Kodiak shall submit its accounting forms and records to the TAT on a quarterly basis or promptly upon request and shall assist the TAT as it may reasonably request in presenting and/or verifying such evidence of use in court or before the appropriate administrative agencies.

TERM

This agreement shall be effective as of the date of the Agreement set forth herein and shall endure for so long as the facility is being utilized by Kodiak and/or its successors and/or assigns.

NOTICES

Any notice required by this Agreement shall be in writing, addressed as follows:

Kodiak Oil & Gas (USA) Inc.
1625 Broadway, Ste. 250
Denver, CO 80202
Attention: Michael Murray

Three Affiliated Tribes

If either party changes its address during the term of this Agreement, it shall advise the other party in writing.

SEVERABILITY

If any provision of this Agreement is held to be illegal, invalid or unenforceable under applicable laws, such provision shall be severable from the remainder of this Agreement, which shall remain in full force and effect.

ENTIRE AGREEMENT

This Agreement constitutes the entire agreement between Kodiak and TAT and supersedes all other oral or written communications.

ASSIGNABILITY

This Agreement may be assigned or transferred in whole or in part by Kodiak, and all the terms and provisions hereof shall bind and inure to the benefit of the respective successors and assigns.

RELATIONSHIP OF THE PARTIES

WATER SUPPLY & DISPOSAL AGREEMENT

This Agreement is not intended to create, and nothing herein shall be construed to create, an agency relationship or association, trust, joint venture, mining partnership, or other partnership or entity of any kind for the purposes of federal taxation.

MISCELLANEOUS

This Agreement may not be altered or amended, nor may any rights hereunder be waived, except by an instrument in writing and executed by the party to be charged with such amendment or waiver.

IN WITNESS WHEREOF, the Parties have executed this Agreement effective as of the day and year first above set forth.

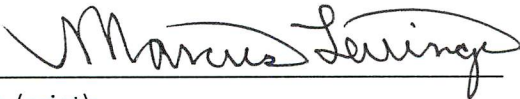
KODIAK OIL & GAS (USA) INC.

By: _____

Name (print): _____

Title: _____

THREE AFFILIATED TRIBES

By:  _____

Name (print): _____

Title: _____

WATER SUPPLY & DISPOSAL AGREEMENT

This Water Supply Agreement Kodiak Oil & Gas (USA) Inc. (Kodiak) and The Three Affiliated Tribes (TAT).

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KODIAK OIL & GAS (USA) INC.

By: _____

Name (print): _____

Title: _____

THREE AFFILIATED TRIBES

By: _____

Name (print): _____

Title: _____




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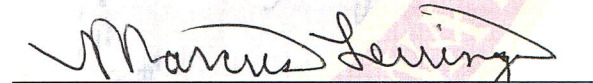
Chairman [] Voting. [] Not Voting.

Dated this 21st day of May, 2010.

ATTEST:



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



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