



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

A Resolution entitled: “Approval to leases 990 acres of Lands located in McLean and Mercer County to Spotted Hawk Development, 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

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 IX, 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, 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 Development, LLC, for oil and gas development on the Fort Berthold Reservation in the Township 149N Range 90W sections 19 & 30 containing 990 acres total located in McLean and Mercer County.

WHEREAS, the Tribal Business Council now desires to enter into a straight Tribal Oil and Gas Lease Agreement with Spotted Hawk Development, LLC, to lease 990 tribal mineral acres within the Fort Berthold Reservation, for oil and gas development on the Fort Berthold Reservation, for the consideration of Three Hundred and 50/dollars and no cents (\$350.00) per acre bonus, twenty-two and one half percent (22.50%) royalty and Three dollars and no/cents (\$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 Development, LLC to include the following stipulations:

1. The Amount of the royalty payments shall be twenty-two and one half percent (22.50%).
2. The bonus paid per acre shall be Three Hundred and 50/dollars and no cents (\$350.00).
3. The initial term of the lease shall be Five (5) year with an annual delayed rental of three dollars and no/cents (\$3.00) per acre for lands
4. Spotted Hawk Development, LLC shall drill 1 well within one year of the execution of the lease(s), provided Spotted Hawk's receives the necessary drilling permits and a minimum of 4 additional wells prior to the end of term.
5. The amount of land to be available for lease is acknowledged to be approximately 990 acres in the following township and sections.

T149N-R90W sections 19 & 30 containing 990 acres

6. The mineral lease shall be substantially in the same form as the BIA Oil and Gas mining Lease.

NOW THEREFORE BE IT RESOLVED, the Tribal Business Council approves the lease of the aforementioned 990 acres to Spotted Hawk Development, LLC, for the terms and conditions described in the Resolution and designates the Tribal Oil and Gas Department finalize a straight Tribal Oil and Gas Lease(s) with Spotted Hawk Development, LLC consistent with this resolution.

FUTHER BE IT FINALLY RESOVLED, 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 Indian Reservation, hereby certify that the tribal Business Council is composed of seven (7) members of whom five (5) constitute a quorum, 6 were present at a Regular Meeting thereof duly called, noticed, convened and held on the 29th day of September, 2010; 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.

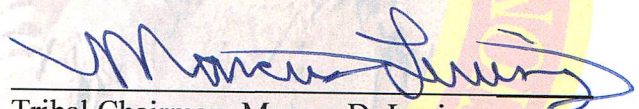
Chairman Voting. Not Voting.

Dated this 29th day of September, 2010.

ATTEST:



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



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

