



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

Resolution entitled: "Purchase of Dakota-3, LLC's Operating Interest in Dragswolf #1 Well"

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 and By-laws of the Three Affiliated Tribes was adopted by membership of the Tribes on May 15th, 1936 pursuant to the Indian Reorganization Act of 1934 and duly approved by the Secretary of Interior; 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, The Constitution of the Three Affiliated Tribes 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, The Tribe and Dakota-3, LLC had a prior operating agreement dated January 5, 2007 to jointly operate and participate in the Drags Wolf #1 oil and gas well located in the 4 Bears Segment of the Fort Berthold Reservation; and

WHEREAS, The January 7, 2007 Operating Agreement contained a net revenue sharing agreement of 75% to Dakota-3 and 25% to the Tribe, however, upon payout of all initial expenses incurred by Dakota-3 LLC, the parties would then each receive 50% of the net revenues of the Drags Wolf #1 well; and

WHEREAS, the 2007 Operating Agreement also contained a buy-out provision that would allow the Tribe to purchase Dakota-3 LLC's Operating Interest in the Drags Wolf #1 Well for \$2,500,000.00; and

WHEREAS, The Tribe negotiated within the First Amendment to the Operating Agreement a reduced buy out price of \$1,200,000.00 to purchase all of Dakota-3 LLC's operating interest in the Drags Wolf #1 well; and

WHEREAS, Upon further negotiations, the Tribe and Dakota-3 LLC have reached an agreement for the Tribe to purchase Dakota-3 LLC's operating interest in the Drags Wolf #1 Well for **\$300,000.00.**; and

WHEREAS, The Tribal Business Council has already approved this via Tribal Council Action as evidenced in the February 13, 2012 Tribal Council Meeting minutes.



NOW THEREFORE BE IT RESOLVED, that the Three Affiliated Tribes Tribal Business Council does hereby approve the purchase of all operating and any other interests held by Dakota-3 LLC in the Drags Wolf #1 Well in the amount of **\$300,000.00**; Payments will be made back to the tribe monthly beginning on the first month of production and thereafter shall be subject to an amortization schedule. and;

BE IT FURTHER RESOLVED, upon execution and closing of the purchase of the Drags Wolf #1 Well, the responsibility for operating the Drags Wolf #1 Well shall be transferred to the Missouri River Resources Inc., tribally owned oil and gas company, provided that the royalty reporting to the allottees shall continue to be the responsibility of the Energy Department.

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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 12th day of July, 2012, 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 July, 2012.

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

ATTEST:

Tribal Chairman, Tex G. Hall
Tribal Business Council
Three Affiliated Tribes