



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

A Resolution entitled, "Approval of Setback Variance Requested by SHD Oil & Gas, LLC."

- WHEREAS**, This Mandan Hidatsa and Arikara Nation (the "MHA 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 under said Act, and
- WHEREAS**, Pursuant to Article III, Section 1 of its Constitution and By-Laws, the Tribal Business Council is the governing body of the MHA Nation; and
- WHEREAS**, Pursuant to Article VI, Section 5(1) of said Constitution, the Tribal Business Council has the power to adopt resolutions regulating the procedures of the Tribal Council, its Agencies and Officials; and
- WHEREAS**, The Tribal Business Council has authority to engage in activities on behalf of and for the welfare and benefit of the Tribes and of the enrolled members thereof; and
- WHEREAS**, Article IX Sections 1 and 3 of the Constitution provides that the Tribal Business Council has the authority to manage and lease or otherwise deal with tribal lands and resources; and
- WHEREAS**, The Tribal Business Council passed Resolution No. 12-087-VJB, entitled, "The Missouri River, Badlands and Sacred Sites Protection Act" which requires a half mile setback for well sites/drilling pads from the Missouri River, Little Missouri River, and designated sacred sites or villages in the Badlands; and
- WHEREAS**, The Tribal Business Council passed Resolution No. 12-139-VJB, entitled, "Amending the Missouri River and Badlands Protection Act to Allow Variances upon Recommendation by the Tribal Energy Office," which authorizes the MHA Nation Tribal Energy Office to consider setback variance requests and make recommendations to the Tribal Business Council to approve such requests "when minerals would be stranded due to the setback provisions or where the applicant has made a clear showing that granting the variance would not cause an adverse environmental effect upon the Missouri River or the Little Missouri River"; and
- WHEREAS**, On March 27, 2015, the Tribal Business Council passed Resolution No. 15-045-LKH entitled, "Establishing a Procedure for the Approval of Leases, Rights-of-Way, Setback Variances and Permissions to Survey on Tribal Land"; and



WHEREAS, On November 4, 2015, SHD Oil & Gas, LLC (“SHD”) submitted to the MHA Nation Energy Division a request for a Setback Variance, as set forth in Exhibit A; and

WHEREAS, The specific Setback Variance requested by SHD is, as follows:

Name of Pad/Wells: Hawk Pad: Hawk 18-10-TF1, Hawk 18-12-TF2, Hawk 18-14-TF1, Hawk 18-16-TF2

LOCATION: Township 150 North, Section 18, Range 90 West 5th P.M. McLean County, North Dakota

ACRES OF DISTURBANCE: SW1/4 of Section 18 - Approximately 7.0 acres and SE1/4 of Sec 18 – Approximately 7.5 acres

DRILLING/SPACING UNIT: (1920) Sec 13, 14, 15

DISTANCE FROM WELLPAD: Proximity to Lake Sakakawea. The edge of disturbance of the proposed well pad(s) is approximately 1500 feet, as measured from the 1854 foot high-water-elevation-line of Lake Sakakawea.

WHEREAS, In September 22, 2015, during the environmental and right-of-way on-sites, SHD met with the MHA Nation Energy Division to review and consider all other alternatives for the construction and siting of the Hawk Pad; and

WHEREAS, The MHA Nation Energy Division reviewed, processed and fully vetted SHD’s request for a setback variance for the Hawk Pad, and has determined that SHD has made a clear showing that granting the variance would not cause an adverse environmental effect upon the Missouri River or the Little Missouri River; and

WHEREAS, On September 1, 2015 and December 16, 2015, at duly held meetings of the Natural Resources Committee, the MHA Nation Energy Division recommended for approval SHD’s setback variance request for the Hawk Pad, and the Natural Resources Committee approved SHD’s setback variance request for the Hawk Pad.

NOW THEREFORE BE IT RESOLVED, the Tribal Business Council hereby approves the Setback Variance request, attached as Exhibit A, submitted by SHD Oil & Gas, LLC for the Hawk Pad.

BE IT FINALLY RESOLVED that the Chairman is hereby to take such further actions as are necessary to carry out the terms and intent of this Resolution.



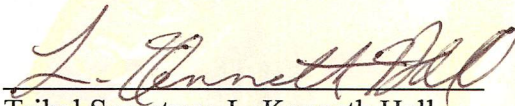
CERTIFICATION

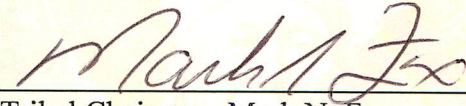
I, the undersigned, as Secretary of the Tribal Business Council of the Three Affiliated Tribes of the Fort Berthold Indian Reservation hereby certify that the Tribal Business Council is composed of seven (7) members of whom five (5) constitute a quorum, 7 were present at a Regular Meeting thereof duly called, noticed, convened and held on the 14th day of January, 2016, that the foregoing Resolution was duly adopted at such meeting by the affirmative vote of 6 members, 0 members opposed, 0 members abstained, 1 members not voting, and that said Resolution has not been rescinded or amended in any way.

Chairman Voting. Not Voting.

Dated this 14th day of January, 2016.

ATTEST:


Tribal Secretary, L. Kenneth Hall
Tribal Business Council


Tribal Chairman, Mark N. Fox
Tribal Business Council

APPENDIX A.1

< Attach: (1) Application Package submitted to the MHA Nation Energy Division requesting the Setback Variance, (2) Recommendation Form and/or concurrence form signed by Department Head and Chairman of NRC per Resolution 15-045-LKH, (3) map, and (4) other necessary information >

