

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

WHEREAS, This Corporation is an Indian Chartered Corporation defined by the Indian Reorganization Act of June 18, 1934, authority is granted under this Act, and

WHEREAS, The Constitution and Bylaws of the Three Affiliated Tribes charge the Tribal Business Council of the Three Affiliated Tribes to protect and preserve the property, wildlife and natural resources of the tribe, and

WHEREAS, Grace Petroleum Corporation
(Name of Company)
has duly filled and met the procedural requirements for Application for Seismograph Permit and,

WHEREAS, the attached Application for Seismograph Permit by Grace Petroleum Corporation
(Name of Company)
has been reviewed and recommended for approval by the Fort Berthold Office of Natural Resource and Energy Development, and

WHEREAS, the Grace Petroleum Corporation
(Name of Company)
is informed of and agrees to perform all terms, fees and special conditions expressly stipulated in the Application for Seismograph Permit, and

NOW THEREFORE BE IT RESOLVED, that the attached application for Seismograph Permit to Grace Petroleum Corporation
(Name of Company)
is hereby approved by the Three Affiliated Tribes, Tribal Business Council.

C E R T I F I C A T I O N

I, the undersigned, as Secretary of the Tribal Business Council of the Three Affiliated Tribes of the Fort Berthold Reservation, hereby, certify that the Tribal Business Council is composed of 11 members of whom 7 constituting a quorum were present at a Special meeting, thereof duly called, noticed, convened, and held on the 31 day of May, 1979; that the foregoing Resolution was adopted at such meeting by the affirmative vote of 7 members passed, and that the said resolution has not been rescinded or amended in any way.

Chairperson (voting) (not voting)

Dated this 31 day of May, 1979.

ATTEST:

Ellie Walker
Secretary, Tribal Business Council

Justin L. Dillotte
Chairperson, Tribal Business Council

Tribal Resolution no. 79-235 Date May 31, 1979

Permission is hereby granted to Grace Petroleum
of Three Park Central Suite 200, 1515 Arapahoe St., Denver, Colorado 80202
to use the following described lands: See attached plat
(Describe the lands to be occupied with reference to

Government survey, State grant road, stream, or well-known landmark)

for the purpose of making excavations, drilling shot holes, or doing other work thereon necessary for determining whether there are mineral deposits of such a quantity and value as would warrant application to the Three Affiliated Tribes, for a prospecting permit granting a preference right to lease or a mining lease authorizing exploitation and development of the mineral resources; and erecting such temporary structures and facilities as are requisite thereto.

This permit is granted subject to all valid claims to the described lands, and to the following conditions:

- 1a. The permittee shall pay in advance to the Tribal Business Council, Three Affiliated Tribes, an annual fee the sum of \$1,000.00.
- 1b. The permittee shall pay to the Three Affiliated Tribes and/or its members the sum of not less than \$ 50.00 for each shot hole drilled, such payments to be tendered in advance of drilling in units of five or more, except for a final or single payment, which may be for one or more holes.
- 2. The permittee, in exercising the privileges granted by this permit, shall comply with the regulations of the Three Affiliated Tribes and all Federal, State, county, and municipal laws, ordinances, or regulations which are applicable to the area or operations covered by this permit, including, but not limited to, those pertaining to fire, sanitation, fish, and game.
- 3. This permit is accepted subject to the conditions set forth herein, and to conditions N/A to N/A attached hereto and made a part of this permit.

PERMITTEE	Name of Permittee Alan F. Dilli	Signature [Signature]	Authorized Office Vice President	Date
ISSUING ONRED	Name and Signature [Signature] Lawrin H. Baker	Title Administrator ONRED		Date 5/30/79

Tribal Resolution No. 79-2387 Date May 31, 1979

4. This permit does not grant any exclusive right to the use of the described lands for prospecting, or other purposes; the area herein described shall be subject at all times to any other lawful uses by the Three Affiliated Tribes and/or its members, its lessees, permittees, licensees, and assigns.
5. This permit does not grant any rights of any kind in minerals; nor does it grant any preference right of any nature whatsoever in the issuance of a permit or lease for the exploration, removal, or development of the mineral resources in the described lands.
6. The permittee shall take all reasonable precaution to prevent and suppress forest and grass fires. Particularly in connection with operations under this permit, fire prevention and fire fighting equipment as required by the Field Inspector shall be provided, and the burning or other disposal of brush and other inflammable debris shall be done by the permittee in accordance with written stipulations to be issued by the ONRED.
7. No Tribal timber may be cut or destroyed without first obtaining a permit from the Office of Natural Resources & Energy Development.
8. The permittee will exercise diligence in protecting from damage the land and property of the Three Affiliated Tribes and/or its members covered by and used in connection with this permit and will pay the Three Affiliated Tribes and/or its members for any damage resulting from the violation of the terms of this permit or any law or regulation applicable to the involved lands by the permittee, his agents, or employees, when acting within the scope of their employment.
9. The permittee shall safeguard with fences, barriers, fills, covers, other effective devices, any shafts, pits, tunnels, cuts, and other excavations which otherwise would unduly imperil the lives, safety, or property of other persons.
10. Upon abandonment, termination, or revocation of this permit, the permittee shall remove all structures and facilities which have been placed on the premises by him, and shall restore the site, unless otherwise agreed upon in writing or in this permit.
11. This permit may be terminated upon breach of any of the conditions herein or at the discretion of the Tribal Council.
12. The permittee shall fully repair all damage other than ordinary wear and tear, to roads and trails caused by the permittee in the exercise of the privilege granted by this permit.

13. In case of change of address, permittee shall immediately notify the Field Inspector.
14. No Tribal Council member shall be admitted to any share or part of this permit or to any benefit that may arise therefrom, but this provision shall not be construed to extend to this permit if made with a corporation for its general benefit.
15. The conditions of this permit are completely set forth herein and none of its terms can be varied or modified except in writing by the Field Inspector issuing the permit, his successor, or superior, and in accordance with applicable law and the regulations of the Three Affiliated Tribes.
16. In the event of any conflict between any of the preceding printed clauses or any provision thereof and any of the following clauses or any provision thereof, the following clauses will control.
17. At least 10 days prior to entry on the land for field operations, the permittee shall meet with the Field Inspector or his assistant for a pre-work conference to identify and resolve potential conflicts with other resources and activities.
18. All exploration work will be done during dry soil periods or after the ground has frozen and with no road construction, unless site specific approval has been obtained from the Field Inspector or other arrangements made with the Field Inspector.
19. The permittee shall appoint and maintain at all times, during field operations that involve Fort Berthold Indian lands, a local agent upon whom may be served written orders or notices. If a substitute agent is appointed, the permittee shall immediately inform the Field Inspector. Designation shall be in writing and the agent shall have full authority to act for the operator. During construction operations, the permittee shall immediately inform the Field Inspector. Designation shall be in writing and the agent shall have full authority to act for the operator. During construction operations, the permittee shall appoint, in writing, a competent engineer to inspect and supervise construction to ensure compliance with specifications. Any company operating within the boundaries of the reservation must have an Indian Guide present with exploration crews at all times. Companies will be checked periodically to insure compliance. If a company needs assistance in procuring a guide they may contact the Field Inspector or ONRED and assistance in obtaining one will be provided. Indian guides shall be adequately informed by the field inspector and/or company officials as to what their responsibilities are. Indian guides are to work closely with the Field Inspectors in assuring compliance. Guides are to be the financial responsibility of the company, however, guides salary shall be that established in the permit stipulations.
20. If not covered by a nationwide or statewide drilling bond conditioned for seismic work, a bond in amount to insure reclamation will be required. Liability extends one year after hole has been abandoned and filled as required by condition 23 of this permit.

roadway; 1,320 feet of any building, public recreation area, administrative site, water well, or spring; nor within 330 feet of any reservoir or dam; water, oil, or natural gas pipelines.

22. Water will not be taken from any source on Indian Lands, such as a water course, reservoir, spring, or well, without written permission of the land owner.

23. All seismic holes will be plugged with "bentonite gel," a mixture of 40 pounds of bentonite and 42 gallons of water, to within 18 inches of the surface. At a depth of 18 inches, a plastic plug is to be installed, followed by soil, cuttings, or sod. Except during below freezing weather, hole-plugging and cleanup are to be completed within 30 days after the hole has been drilled. During below freezing weather, hole-plugging and cleanup are to be completed within five days after the hole has been drilled. Cuttings will be scattered during or immediately after drilling and before the cuttings freeze. The Field Inspector will be notified within five days of the completion of plugging and cleanup.

24. If drilling is necessary for exploration, all drill cuttings on the ground surface must be spread to no more than one-inch thickness and revegetated as directed by the Field Inspector.

25. All debris, such as explosive containers, wire, cans, survey flagging, and markers, etc., shall be removed and disposed of as approved by the Office of Natural Resources and Energy Development. Garbage will be disposed of in an approved facility.

26. During any field activities, the permittee shall protect and preserve all land survey monuments. Records of found corners and monuments shall be given to the Office of Natural Resources and Energy Development.

27. Within 15 days after completion of the exploration project, the permittee will furnish the Field Inspector a certified plat showing the exact location and number of shot point locations utilized. The permittee also agrees to provide in writing to the Field Inspector a geographic description of each hole drilled and the physical properties (layer of strata) that are encountered in drilling. Upon receipt of a satisfactory statement from the permittee, the Field Inspector and the Bureau of Indians Affairs will calculate the fees due according to the payment schedule and will bill the permittee for this amount less the amount of initial payment. If total deposits are in excess of the amount required for payment for all shot points locations, the excess will be refunded to the permittee.

28. Additional exploratory holes may be authorized by amendment to this permit. Such amendments shall be in writing. Amendments will be granted following a request from the company fully describing such locations, accompanied by a map showing the location of the proposed exploratory holes. Full payment, in advance will be required for the additional proposed exploratory holes.

operations authorized by this permit with due regard for good land management; (2) to secure approval from the Field Inspector in charge prior to appraised value as determined by the Field Inspector (3) to avoid unnecessary damage to improvements or timber, and to prevent pollution of oil and water resources; (4) to revegetate all disturbed areas with grass and/or shrub species as designated by the Field Inspector in charge.

30. The permittee will conduct his operations when within the area of influence of any critical* wildlife habitat, such as raptor nests, grouse dancing grounds, bighorn sheep lambing area; etc., as prescribed by the Field Inspector. The Field Inspector will approve all locations and identify areas of influence. If the permittee locates an unidentified area of critical habitat during his seismic operations, he must stop the project and notify the Field Inspector immediately for instruction on how to proceed.

31. The permittee will conduct his operations within the area of influence of any cultural resources, such as historical, archeological, and paleontological sites as prescribed by the field inspector. The Field Inspector will identify areas of influence and identify areas where archeological surveys will be completed prior to drilling. If the operator locates an unidentified cultural resource during his seismic operation, he must stop the project and notify the Field Inspector immediately for instruction on how to proceed.

32. The permittee shall indemnify and hold harmless the Three Affiliated Tribes and/or its members against any liability for damage to life or property arising from the occupancy or use of involved lands under this permit.

33. The permittee is responsible for transporting, handling, and storing explosives in accordance with OSHA and Department of Transportation regulations.

34. No snow clearance is to be conducted unless site and time specific approval has been obtained in writing from the Field Inspector. To protect uninventorized archeologic sites and prevent damage to soil, the snow blade will be kept at least four inches off the ground, requiring the mounting of skids on the blade. Prior to start of snowplowing, the permittee will arrange to have the plow available for inspection to insure skids have been installed. Only rubber-tired equipment with "free-floating" hydraulic systems will be approved for cross-country snowplowing. Tracked vehicles will be approved for special conditions by the Field Inspector.

* Those areas which are important for survival of the species. The loss of this habitat would have a significant impact on the population.

35. Permittee shall be liable to the Three Affiliated Tribes in the amount of \$ 100.00 as a statutory fine for the first violation under this and any subsequent permits. For each subsequent violation permittee shall be responsible in the amount of double the previous fine.

After 3 violations any existing permit to permittee shall be revoked and no further permit shall be issued to said permittee until all fines have been paid and permittee appears before the Tribal Council or its delegated committee or representative to show cause why the revocation should be suspended.

The Three Affiliated Tribes shall suspend any revocation upon any appropriate conditions that might insure future compliance with any provisions of the permit and Tribal laws.

Dated this 31 day of May, 1979.

THREE AFFILIATED TRIBES

by: Austin H. Dillate

I HEREBY ACKNOWLEDGE THAT I HAVE READ THE FOREGOING AND FURTHER ACKNOWLEDGE THAT I HAVE RECEIVED A TRUE COPY OF SUCH PERMIT.

Date this 31 day of May, 1979.

Draco Petroleum Corp.
Permittee Alan C. F. Dille, Unit V.

Office of Natural Resources & Energy Development
Standard Seismic Permit Conditions
March 23, 1979

J. B. MacLean
PARTY MANAGER