

**RESOLUTION OF THE GOVERNING BODY OF  
THE THREE AFFILIATED TRIBES OF 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 Tribes generally authorizes and empowers the Tribal Business Council to engage in activities on behalf of and act in the best interest of the welfare and benefit of the Tribes and of the enrolled members thereof; and

**WHEREAS,** The Three Affiliated Tribes, exercising its sovereign 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 Fort Berthold Indian Reservation of the Three Affiliated Tribes, comprising approximately 1,000,000 acres, has within in potentially significant oil and gas resources worth many hundreds of millions of dollars, as it lies within the generally accepted geologic formation known as the Williston Basin, a proven oil field since the early 1950's; and

**WHEREAS,** For many years, oil and gas has been produced in significant quantities within areas of the Williston Basin adjacent to the boundaries of the Fort Berthold Indian Reservation, and in areas of the Reservation not held in trust for the Tribes or its members by the United States, but has not been produced in significant quantities on lands within the Reservation held in trust for the Tribes and its members by the United States; and

**WHEREAS,** The mineral acres in which the Three Affiliated Tribes and its members have in interest are held in trust by the United States and are supposed to be held in trust in the interest of and for the benefit of the Tribes and its individual members; and

**WHEREAS,** The Three Affiliated Tribes is committed to development of the oil and gas resources of the mineral acres in which it has an interest, which comprise approximately 30,000 mineral acres held in trust by the United States scattered in many small tracts throughout the Reservation, and approximately 150,000 mineral acres under Lake Sakakawea which in large part lies within the boundaries of the Reservation; and

**WHEREAS,** The remaining mineral acres held in trust within the Fort Berthold Reservation in which the Tribes and individual Tribal members have an interest are divided into many small tracts, in which many individuals, as many as 200, including the Tribes, may have small undivided interests; and

**WHEREAS,** Pursuant to its sovereign rights as an Indian Nation, and pursuant to the Indian Mineral Development Act of 1982, the Three Affiliated Tribes has entered into a Memorandum of Understanding with the Fort Berthold Exploration Company of Williston, North Dakota to work in good faith towards the execution of an Exploration and Development Agreement (a "Minerals Agreement" as defined by the Indian Mineral Development Act of 1982) to develop to the full potential the oil and gas resources of the mineral acres within the Reservation held in trust by the United States for the Tribes and tribal members; and

**WHEREAS,** The Memorandum of Understanding states that if an Exploration and Development Agreement is executed between a major industry partner and the Three Affiliated Tribes, the Three Affiliated Tribes will receive a \$2,000,000 bonus and will also receive 25% of the net profit from production of all oil and gas from lands held by the Tribes or by individual Tribal members contained within the exterior boundaries of the Fort Berthold Reservation; and the Memorandum of Understanding also provides that all Tribal members who have an individual interest in mineral acres within the Fort Berthold Reservation will receive a lease signing bonus of either \$20 or \$35 per acre depending on their location and will receive a 1/8 production royalty if oil and gas is developed on their mineral acres pursuant to a mineral lease approved by the Secretary of Interior acting through the Bureau of Indian Affairs; and

**WHEREAS,** The Fort Berthold Exploration Company has engaged a major industry partner, with significant experience in oil and gas development, the Alberta Energy Company, Ltd. and its wholly owned North American affiliate, Alenco Oil & Gas (N.D.), Inc. to pursue the development of the oil and gas reserves of the Three Affiliated Tribes; and

**WHEREAS,** Alberta Energy Company, through Alenco Oil & Gas (N.D.), Inc. is willing to expend many millions of dollars in exploration and development of the oil and gas reserves held by the Three Affiliated Tribes and its members only if it is able to obtain the right to lease enough of the mineral acres available from the Three Affiliated Tribes and its members to make the exploration and development project economically viable for itself and for the Three Affiliated Tribes and its members; and

**WHEREAS,** Traditionally, Federal law and regulations enacted prior to the Indian Development Act permitting the lease of mineral acres held in trust by the United States has been interpreted by the Bureau of Indian Affairs to require that all persons holding an undivided interest in a particular tract of mineral acres must execute the mineral lease for it to be valid, unless such persons cannot be found; and

**WHEREAS,** This requirement has made it difficult for valid oil and gas leases to be obtained for parcels of mineral acres on the Fort Berthold Reservation in which a large number of individuals own a small undivided interest due to the difficulty of obtaining agreement concerning the terms of the lease from all owners of the undivided interests; and

**WHEREAS,** The Indian Mineral Development Act of 1982 explicitly states that "Any Indian owning a beneficial or restricted interest in mineral resources may include such resources in a tribal Minerals Agreement, subject to the concurrence of the parties and a finding by the Secretary that such participation is in the best interests of the Indian."; and

**WHEREAS,** The Three Affiliated Tribes believes that it is in the best interests of all members who own an individual undivided interest in mineral lands to be able to be included within the terms of the Exploration and Development Agreement it wishes to execute with Alenco Oil & Gas (N.D.), Inc. for the development of all of the mineral acres in on the Reservation in which the Tribes and its members have an interest; and

**WHEREAS,** The Three Affiliated Tribes believes that under its customs and traditions, no single Tribal member should be able to prevent the development of Tribal resources for the benefit of all of the members of the Tribes; and

**WHEREAS,** The Three Affiliated Tribes believes that the Bureau of Indian Affairs should approve oil and gas leases for tracts of mineral acres where those persons owning a majority of the mineral acres within the tract have executed the lease;

**NOW, THEREFORE, BE IT RESOLVED,** That the Tribal Business Council of the Three Affiliated Tribes hereby finds that it is in the best interests of its members and in the best interests of the Tribes that the oil and gas resources of the Tribes and its members be developed; and

**NOW, THEREFORE, BE IT FURTHER RESOLVED**, That the Tribal Business Council hereby determines, in the exercise of its sovereign rights and authority over its members and its territory, that any agreement with the Three Affiliated Tribes for the exploration and development of the oil and gas resources within its jurisdiction will contain within it a clause which will allow development under the agreement of individual parcels of mineral acres for which oil and gas leases have been executed by those persons owning a majority of the mineral interests in the tract; and

**NOW, THEREFORE, BE IT FURTHER RESOLVED**, That the Tribal Business Council hereby requests that the Bureau of Indian Affairs revise its recent final regulations concerning oil and gas leases issued July 8, 1996 to include a provision that will allow Secretarial approval of leases of mineral acres of a tract agreed to by those persons owning a majority of the mineral interests in the tract, provided that such leases are in the best interests of the Indian mineral owner.

#### CERTIFICATION

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 7 members of whom 5 constitute a quorum, 7 were present at a Regular Meeting thereof duly called, noticed, convened, and held on the 10<sup>th</sup> day of October, 1996; that the foregoing Resolution was duly adopted at such Meeting by the affirmative vote of 5 members, 0 members opposed, 1 members abstained, 1 not voting, and that said Resolution has not been rescinded or amended in any way.

Dated this 10<sup>th</sup> day of October, 1996.

Daylon Spotted Bear  
Secretary, Tribal Business Council

ATTEST:

[Signature]

Chairman, Tribal Business Council