

**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,** 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,** A significant part of the Memorandum of Understanding is that if a major industry partner is found, the Tribe is to receive a \$2,000,000 signing bonus; 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. of Canada and its wholly owned United States 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, Ltd., acting through its wholly owned subsidiary 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,** Alenco Oil & Gas (N.D.), Inc., is ready to deposit \$2,000,000 into an escrow account and distribute it to the Three Affiliated Tribes pursuant to the attached Escrow Agreement, which contains certain conditions before the funds can be released; and

WHEREAS, The primary conditions for release of the funds to the Tribes are: 1) that an Exploration and Development Agreement which will govern the terms of exploration and development of the oil and gas resources on the Fort Berthold Indian Reservation owned by the Tribe or by Tribal members has been executed and approved by the Secretary of the Interior; and 2) that a sufficient amount of the mineral acres owned by allottees and the Tribes will have been fully leased, that amount being known in the Escrow Agreement as the Allotted Land Leasing Target and comprising 75% of the total acres available; and

WHEREAS, Execution of the attached Escrow Agreement by the appropriate Tribal officials puts in place an incentive for completing an Exploration and Development Agreement with Alenco Oil & Gas (N.D.), Inc. for the benefit of all Tribal members, but does not bind the Tribes to the execution of any particular Exploration and Development Agreement between itself and Alenco Oil & Gas (N.D.), Inc., it being understood that discussions and negotiations concerning the terms of an Exploration and Development Agreement are not yet completed;

NOW, THEREFORE, BE IT RESOLVED, That the Tribal Business Council of the Three Affiliated Tribes hereby approves the attached Escrow Agreement, as corrected, and authorizes the Tribal Chairman to execute the final, corrected original when it is available.


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, 6 were present at a Regular Meeting thereof duly called, noticed, convened, and held on the 23rd day of December, 1996; that the foregoing Resolution was duly adopted at such Meeting by the affirmative vote of 5 members, 1 members opposed, 0 members abstained, 0 not voting, and that said Resolution has not been rescinded or amended in any way.

Dated this 23rd day of December, 1996.

Daylon Spittel Bean
Secretary, Tribal Business Council

ATTEST:



Chairman, Tribal Business Council