



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

**A Resolution entitled: *“Approval to lease 281.25 Acres of Tribal Lands to Spotted Hawk Development, LLC., for Oil and Gas Development on 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 Tribe generally 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,** 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 Natural Resources Committee of the Tribal Business Council has reviewed the proposal by Spotted Hawk Development, LLC (“Spotted Hawk”) of Virginia; and

**WHEREAS,** the Fort Berthold Reservation comprises approximately 1,000,000 acres and has within it potentially significant oil and gas resources as the Reservation lies within the generally accepted geologic formation known as the Williston Basin, a geologic formation that has been developed since the early 1950’s; and

**WHEREAS,** the Three Affiliated Tribes, exercising its 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 Three Affiliated Tribes has been approached by Spotted Hawk Development, LLC of Virginia to develop potential oil resources in the Bakken formation on approximately 281.25 acres of tribal land it has identified for development in Townships:

- a. T148N R93W only sections 34 and 35 containing 173.75 acres
- b. T149N R89W only section 32 containing 40 acres
- c. T149N R93W only sections 19 and 22 containing 65 acres
- d. T152N R91W only section 32 containing 2.50 acres





**WHEREAS,** the Tribal Business Council desires to enter into a straight Tribal Oil and Gas Lease Agreement with Spotted Hawk Development, LLC, to lease 281.25 tribal mineral acres, at twenty-two and one half percent (22.5%) royalty, Eight Hundred dollars and no cents (\$800.00) per net acre bonus and three dollars and no cents (\$3.00) per acre rental for five (5) years.

**NOW THEREFORE BE IT RESOLVED,** The Three Affiliated Tribes hereby approves of entering into a straight Tribal Oil and Gas Lease Agreement with Spotted Hawk Development, LLC to include the following stipulations:

1. The Amount of the royalty payments shall be twenty-two and one half percent (22.5%) percent.
2. The bonus paid per acre shall be Eight Hundred dollars and no cents (\$800.00).
3. The initial term of the lease shall be Five (5) years with an annual delayed rental of two dollars and fifty cents \$2.50 per acre for lands.
4. The amount of land to be available for lease is acknowledged to be approximately 281.25 acres in Townships:
  - a. T148N R93W only sections 34 and 35 containing 173.75 acres
  - b. T149N R89W only section 32 containing 40 acres
  - c. T149N R93W only sections 19 and 22 containing 65 acres
  - d. T152N R91W only section 32 containing 2.50 acres

**NOW THEREFORE BE IT RESOLVED,** the Tribal Business Council approves the lease of the aforementioned 281.25 acres to Spotted Hawk Development, LLC, for the terms and conditions described in the Resolution and designates the Tribal Oil and Gas Department finalize a straight Tribal Oil and Gas Lease(s) with Spotted Hawk consistent with this resolution.

**BEIT FINALLY RESOVLED,** that the Chairman of the Tribal Business Council is hereby authorized to execute a finalized straight Tribal Oil and Gas lease Agreement(s) on behalf of the Three Affiliated Tribes and that either the Vice-Chairman, Secretary or Treasurer may sign as a co-signatory on said Agreement.




**CERTIFICATION**

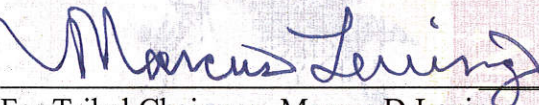
I, the undersigned, as Secretary of the Tribal Business Council of the Three Affiliated Tribes of the Fort Berthold Indian Reservation, hereby certify that the tribal Business Council is composed of seven (7) members of whom five (5) constitute a quorum, 5 were present at a Regular Meeting thereof duly called, noticed, convened and held on the 11<sup>th</sup> day of February, 2010; 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 11<sup>th</sup> day of February, 2010

ATTEST:

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

  
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For Tribal Chairman, Marcus D Levings  
Tribal Business Council  
Three Affiliated Tribes