

PASSED

CHICKASAW TRIBAL LEGISLATURE

General Resolution Number 26-048

**Oil and Gas Lease in Sequoyah and LeFlore Counties
Arkansas Riverbed**

WHEREAS, in accordance with Article VII, Sections 4 and 7 of the Constitution of the Chickasaw Nation, the Chickasaw Tribal Legislature shall enact rules and regulations pertaining to the Chickasaw Nation, and shall make decisions pertaining to the acquisition, leasing, disposition and management of real property, subject to federal law, and

WHEREAS, in accordance with Article XI, Section 1 of the Constitution of the Chickasaw Nation, the Governor shall perform all duties appertaining to the office of Chief Executive. He shall sign official papers on behalf of the Nation, and

WHEREAS, Westphal Oil and Gas, Inc., (Westphal) of 109 North 6th Street in Fort Smith, Arkansas, wishes to enter into a three-year Oil and Gas Lease with the Chickasaw Nation, under which the lease would be automatically extended so long as oil or gas are harvested in “paying quantities,” and

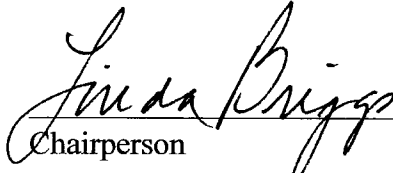
WHEREAS, the property being leased to Westphal is more accurately described as approximately 43.87 acres held by the United States in trust for the Chickasaw, Cherokee, and Choctaw Nations, located in Section 12, Township 10 North, Range 26 East, within the boundaries of LeFlore and Sequoyah Counties, Oklahoma, and

WHEREAS, for the oil and gas wells commonly known as “Reinhart 1-12” and “Reinhart 3-12” on such property, Westphal shall pay a royalty to the Chickasaw Nation at a rate of 4.375% of the value of oil and gas harvested within the first ten (10) years of production, and 3.125% of the value of oil and gas harvested in any subsequent production year, and


WHEREAS, for all other wells that are drilled on such property pursuant to the Oil and Gas Lease, Westphal shall pay a royalty to the Chickasaw Nation at a rate of 3.125% of the value of oil and gas harvested from any such well.

NOW, THEREFORE, BE IT RESOLVED, that the Chickasaw Tribal Legislature hereby authorizes and approves the proposed Oil and Gas Lease in favor of Westphal Oil and Gas, Inc.

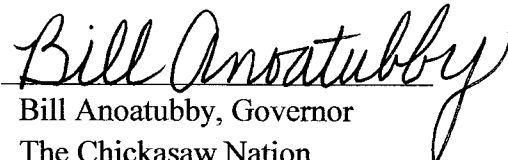
Executed in regular session of the Chickasaw Tribal Legislature, meeting at Ada, Oklahoma, on June 19, 2009, by a vote of 12 ayes, 0 nays, and 0 abstentions.



Chairperson
Chickasaw Tribal Legislature



Secretary
Chickasaw Tribal Legislature

Concur: 

Bill Anoatubby, Governor
The Chickasaw Nation

Date: JUN 19 2009

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Explanation: This resolution approves an Oil and Gas Lease in favor of Westphal Oil and Gas, Inc., (Westphal) 109 North 6th Street, Fort Smith, Arkansas 72901. Westphal has agreed to compensation of a royalty rate of 4.375% for the next ten years for certain producing wells under an oil and gas lease. After the term of ten years the royalty rate will be reduced to a rate of 3.125%. The land to be leased is more particularly described as Section 12, Township 10 North, Range 26 East, USA in Trust, LeFlore and Sequoyah Counties, Oklahoma, containing 43.87 acres more or less, for a primary term of three (3) years. The royalty rate to be paid pursuant to the Oil and Gas Lease is separate and apart from any damages associated with Westphal's prior trespass; such trespass action is subject to a settlement outside of this resolution, and outside of this lease.

Presented by: Land Development Committee