

TO APPROVE A DIVISION ORDER FOR AVATAR ENERGY, LLC, ON CHOCTAW TRIBAL FEE LAND IN LEFLORE COUNTY, OK

IN THE TRIBAL COUNCIL OF THE CHOCTAW NATION
THOMAS WILLISTON INTRODUCED THE FOLLOWING BILL

A COUNCIL BILL

TO APPROVE a Division Order with Avatar Energy, LLC.

WHEREAS, in accordance with Article VII, Section 1 of the Constitution of the Choctaw Nation of Oklahoma, the Chief shall perform all duties pertaining to the Office of the Chief Executive. He shall sign official papers on behalf of the Nation, and

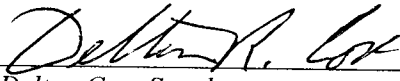
WHEREAS, Avatar Energy, LLC, has proposed a Division Order on Choctaw Tribal Fee land covering Section 22, Township 9 North, Range 25 East, LeFlore County, Oklahoma, and

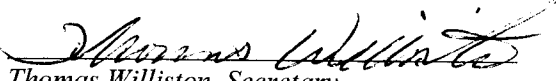
WHEREAS, the Choctaw Nation will be paid in accordance with their decimal interest which is 0.00259854. See attached Division Order for terms of Payment. The order will become effective on date of approval.

THEREFORE BE IT ENACTED by the Tribal Council of the Choctaw Nation of Oklahoma that this Act be cited as approval of the proposed Division Order with Avatar Energy, LLC, on Choctaw Tribal Fee land located in LeFlore County, OK.

CERTIFICATION

I, the undersigned, as Speaker of the Tribal Council of the Choctaw Nation of Oklahoma, do hereby certify that the Tribal Council is composed of twelve (12) seats. Eight (8) members must be present to constitute a quorum. I further certify that twelve (12) members answered roll call and that a quorum was present at the Regular Session of the Tribal Council at Tuskahoma, Oklahoma, on October 11, 2014. I further certify that the foregoing Council Bill CB- 01 -15 was adopted at such meeting by the affirmative vote of twelve (12) members, zero (0) negative votes, and zero (0) abstaining.


Delton Cox, Speaker
Choctaw Nation Tribal Council


Thomas Williston, Secretary
Choctaw Nation Tribal Council


Gary Batton, Chief
Choctaw Nation of Oklahoma

Date: 10-14-14

Avatar Energy, LLC
2602 McKinney Avenue Suite 305
Dallas, TX 75204

DIVISION ORDER

09/09/2014

Choctaw Nation of Oklahoma
Drawer 1210
Durant, OK 74702-1210

Owner Number: CHONAT
Type of Interest: R
Decimal Interest: 0.00259854

Property #: SOL122- 1
Property Name: Solomon 1-22
Effective Date: 09/01/2014
Operator: Avatar Energy, LLC

Legal Description: Section 22, Township 9 North, Range 25 E LeFlore County, OK

Production GAS: Y OIL: Y PP: Y

THIS AGREEMENT DOES NOT AMEND ANY LEASE OR OPERATING AGREEMENT BETWEEN THE INTEREST OWNERS AND THE LESSEE OR OPERATOR OR ANY OTHER CONTRACTS FOR THE PURCHASE OF OIL OR GAS.

The undersigned certifies the ownership of their decimal interest in production or proceeds as described above.

TERMS OF SALE: The undersigned will be paid in accordance with the division of interests as set above. The payor shall pay all parties at the price agreed to by the operator for oil and gas to be sold pursuant to this division order. Purchaser shall compute quantity and make corrections for gravity and temperature and make deductions for impurities.

PAYMENTS: From the effective date, payments are to be made by checks of payor, its successors or assigns, based on this division of interest, less taxes required by law to be deducted and remitted by payor as purchaser. Payments of less than \$100 will be accrued before disbursement until the total amount equals \$100 or more, or December 31 of each year, whichever occurs first. Owner agrees to refund payor any amounts attributable to an interest or part of an interest that owner does not own.

INDEMNITY: The owner agrees to indemnify and hold payor, its successors and assigns, and its agents, servants and employees harmless from all liability resulting from payments made to the owner in accordance with said division of interest, including but not limited to, attorney fees or judgments in connection with any suit that affects the owner's interest in which payor is made a party.

DISPUTES-WITHHOLDING OF FUNDS: If a suit is filed that affects the interest of the owner, written notice shall be given to payor by the owner together with a copy of the complaint or petition filed. In the event of a claim or dispute that affects title to the division of interest credited herein, payor is authorized to withhold payments accruing to such interest, without interest unless otherwise required by applicable statute until the claim or dispute is settled.

TERMINATION: Termination of this agreement is effective on the first day of the month that begins after the 30th day after the date written notice of termination is received by either party.

NOTICES: The owner agrees to notify payor in writing of any change in the division of interest, including changes of interest contingent on payment of money or expiration of time. No change of interest is binding on payor until the recorded copy of the instrument of change or documents satisfactorily evidencing such change are furnished to payor at the time the change occurs. Any change of interest shall be made effective on the first day of the month following receipt of such notice by payor. Any correspondence regarding this agreement shall be furnished to the addresses listed unless otherwise advised by either party.

DEFAULT: If a working interest owner is in default in the payment of its share of the lease expenses, operator of the above lease, may withhold payment of any monies due the undersigned until operator has recovered all monies it is due for lease expenses.

In addition to the terms and conditions of this Division Order, the undersigned and Payor may have certain statutory rights under the laws of the state in which the property is located.

Owner(s) Signature(s):	Owner(s) Tax ID Number(s):	Daytime Phone:
_____	_____	_____
_____	_____	_____

Witness Signature: _____

Witness Signature: _____

Federal Law requires you to furnish your Social Security or Taxpayer Identification Number.
Failure to comply will result in 30.5% tax withholding and will not be refundable by Payor.