

Exhibit 1

Exhibit 1

1 FEDERAL CHARTER OF INCORPORATION

2
3 ISSUED BY THE UNITED STATES OF AMERICA
4 DEPARTMENT OF THE INTERIOR
5 BUREAU OF INDIAN AFFAIRS

6
7 TO THE
8 THE NAVAJO NATION

9
10 FORTHE
11 NAVAJO NATION OIL AND GAS COMPANY
12 A Federally Chartered Corporation
13
14

15 ARTICLE I. -- Name.

16
17 The name of the Corporation is Navajo Nation Oil and Gas Company.
18

19 ARTICLE II. -- Principal Office and Registered Office.

20
21 A. Principal Office. The principal office of the Corporation shall be located within
22 the Navajo Nation. The Corporation may have such other offices, either within or without
23 the Navajo Nation, as the Board of Directors may designate or as the business of the
24 Corporation may require from time to time.
25

26 B. Registered Office. The registered office of the Corporation required to be
27 maintained by any state in which the Corporation shall transact business outside of Navajo
28 Indian Country may be, but need not be, identical with the principal place of business of the
29 Corporation within that state, and the registered office may be changed from time to time by
30 the Board of Directors.
31

32 ARTICLE III. -- Authority for Charter.

33
34 The Corporation is organized, incorporated and chartered under the laws of the United
35 States as a Federally Chartered Corporation under 25 U.S.C. § 477, as amended, and shall
36 have the powers, privileges and immunities granted by that statute embodied in this Charter.
37

38 ARTICLE IV. -- Status of Corporation.

39
40 A. The Corporation is a legal entity wholly-owned by the Navajo Nation, a federally
41 recognized Indian tribe. As an instrumentality of the Navajo Nation, the Corporation is
42 entitled to the privileges and immunities of the Navajo Nation. However, the activities,
43 transactions, obligations, liabilities and property of the Corporation are not those of the
44 Navajo Nation.
45

1 B. The Corporation shall have the same tax status and immunities under federal law
2 as the Navajo Nation.

3
4 ARTICLE V. -- Ownership of the Corporation.

5
6 A. The aggregate number of shares which the Corporation shall have authority to
7 issue is 500,000 shares. The shares shall be of one class only and the par value of each share
8 shall be One Dollar (\$1.00).

9
10 B. All shares in the Corporation shall be owned by the Navajo Nation for the benefit
11 of the Nation and its enrolled members. No individual or legal entity other than the Navajo
12 Nation shall acquire any shares in the Corporation.

13
14 C. The Navajo Nation's shares in the Corporation shall not be sold, transferred,
15 pledged or hypothecated, voluntarily or involuntarily, and any purported sale, transfer, pledge
16 or hypothecation shall be void and of no effect.

17
18 D. All rights of the shareholder of the Corporation shall be exercised by eleven (11)
19 shareholder representatives, composed of one member from each of the eleven (11) standing
20 committees of the Navajo Nation Council or their successor committees, in accordance with
21 this Charter and applicable tribal law; provided that the Directors of the Corporation shall
22 be elected as provided in Article XI of the Charter. Each standing committee shall select its
23 own shareholder representative.

24
25 ARTICLE VI. -- Period of Duration.

26
27 The period of the Corporation's duration is perpetual, or until this Charter is revoked or
28 surrendered by Act of Congress, pursuant to 25 U.S.C. § 477, as amended.

29
30 ARTICLE VII. -- Corporate Purposes.

31
32 The purposes for which the Corporation is organized are:

33
34 A. To own and operate, directly or through subsidiary corporations, joint ventures,
35 associations, partnerships or otherwise, any oil and/or gas production, operating, refining,
36 drilling, or marketing business; and any motor or fossil fuel, distributing, trucking, jobber,
37 wholesale, or retailing and related business.

38
39 B. To form subsidiary corporations and to enter into and form partnerships, joint
40 ventures, associations, and other business arrangements.

41
42 C. To conduct activities in all phases of the oil and gas industry either within or
43 outside of Navajo Indian Country.

1 D. To engage in any lawful business with the powers permitted to a corporation
2 organized pursuant to 25 U.S.C. § 477;

3 E. To pursue the above purposes for the benefit of the Navajo Nation government,
4 and to return all dividends and distributions of profit to the Navajo Nation government to be
5 devoted to essential governmental functions.
6

7 **ARTICLE VIII -- Corporate Powers.**
8

9 The Corporation is authorized:
10

11 A. To engage in any lawful business permitted to a corporation organized under 25
12 U.S.C. § 477, as amended.
13

14 B. To have a corporate seal which may be altered at the discretion of the Board of
15 Directors.
16

17 C. To buy, sell, lease and otherwise acquire and maintain buildings, offices, shops
18 and other appurtenances proper and necessary for the carrying on of said business.
19

20 D. To carry on its business either within or without Navajo Indian Country.
21

22 E. To guarantee, purchase, hold, assign, mortgage, pledge or otherwise dispose of
23 capital stock of, or any bonds, securities or other evidences of indebtedness created by any
24 other corporation or organization that is in existence under the laws of the United States, any
25 state, Indian tribe, nation, government or country, and to exercise all the rights, privileges and
26 powers of ownership.
27

28 F. To enter into and make contracts of every kind and nature with any person, firm,
29 association, corporation, municipality, nation, Indian tribe, state or body politic, without the
30 approval of the Navajo Nation or the Secretary of the Interior, except when the use of trust
31 or federally-restricted Indian property requires such approval.
32

33 G. To purchase, take by gift or bequest, acquire, own, lease, manage, operate, deal
34 in and dispose of real and personal property of all kinds and descriptions, wherever situated.
35

36 H. Subject to the limitations imposed by Article V of this Charter, to incur debts and
37 raise, borrow and secure the payment of any money in any lawful manner, including the issue
38 and sale or other disposal of bonds, indentures, obligations, negotiable and transferrable
39 instruments and evidence of indebtedness of all kinds, whether secured by mortgage, pledge,
40 deed of trust or otherwise, without the approval of the Navajo Nation or the Secretary of the
41 Interior, except when the use of trust or federally-restricted Indian property requires such
42 approval.
43

1 I. To apply for, obtain, register, purchase, lease or otherwise acquire, own, hold, use,
2 operate and introduce, and to sell, assign or otherwise dispose of any trademark, trade name,
3 patent, invention, improvements and processes used in connection with or secured under
4 letters patent, and to use, exercise, develop, grant and give licenses in respect thereto.

5
6 J. To apply for, purchase or acquire by assignment, transfer or otherwise, and to
7 exercise, carry out and enjoy any license, power, authority, franchise, concession, right or
8 privilege which any government or authority or any corporation or other public body may be
9 empowered to enact, make, or grant, and, subject to the limitations imposed by Article V of
10 this Charter, to pay for and to appropriate any of the company's assets to defray the necessary
11 costs, charges and expenses thereof.

12
13 K. To sue and be sued in its Corporate name to the extent provided in Article XVI
14 of this Charter, and to that extent only.

15
16 L. To employ or appoint employees, attorneys and agents of the Corporation and
17 define their duties and fix their compensation.

18
19 M. To lend money for its corporate purposes, invest and reinvest its funds and take
20 and hold real and personal property as security for the payment of funds so loaned and
21 invested.

22
23 N. To sell, convey, mortgage, pledge, lease, exchange, transfer or otherwise dispose
24 of all or any part of its corporate property or assets to the extent permitted by Article IX(F)
25 of this Charter.

26
27 O. To adopt bylaws for the regulation of the internal affairs of the Corporation
28 consistent with this Charter, without the approval of the Navajo Nation Council or the
29 Secretary of the Interior.

30
31 P. To pay pensions and establish pension plans, pension trusts, profit-sharing plans,
32 and other incentive plans for any or all of its directors, officers and employees.

33
34 Q. To acquire the assets and rights and to assume the obligations and liabilities of
35 Navajo Nation Oil and Gas Company, Inc., a corporation chartered under the laws of the
36 Navajo Nation, through merger as provided in Article XVII of this Charter, by assignment
37 or through any other means lawful under the laws of the Navajo Nation.

38
39 R. To obtain a certificate of authority to transact business outside of Navajo Indian
40 Country in any state as a foreign corporation, and to comply with applicable state law
41 governing foreign corporations.
42

1 S. To have and exercise all lawful powers incidental, necessary or convenient to
2 effect any or all of the purposes for which the Corporation is organized.

3
4 ARTICLE IX. -- Limitations on Corporate Powers.

5
6 The Corporation shall have no power:

7
8 A. To expressly or by implication enter into any agreement of any kind on behalf of
9 the Navajo Nation.

10
11 B. To pledge the credit of the Navajo Nation.

12
13 C. To dispose of, pledge, or otherwise encumber real or personal property of the
14 Navajo Nation.

15
16 D. To waive any right, privilege or immunity of, or release any obligation owed to,
17 the Navajo Nation.

18
19 E. To enter into any sublease or other encumbrance or instrument respecting lands
20 leased to the Corporation by the Navajo Nation without the express written approval of the
21 Navajo Nation Council.

22
23 F. To sell, lease, exchange or otherwise dispose of all or substantially all of the
24 Corporation's assets, other than in the usual and regular course of its business, without the
25 prior written consent of the Navajo Nation Council. Prior to any such proposed sale or
26 disposition, the Corporation shall give reasonable notice to the Navajo Nation Council. The
27 shareholder's consent to any such proposed sale or disposition shall be in the form of a
28 resolution of the Navajo Nation Council, duly adopted in accordance with applicable tribal
29 law.

30
31 ARTICLE X. -- Shareholder Action.

32
33 A. Annual Meeting. The annual meeting of the shareholder shall be held on the first
34 Wednesday of May, beginning with the year 1997, at the hour of 10:00 a.m., or at some other
35 time specified by the Chairperson of the Board for the purpose of the transaction of any
36 business that may come before said meeting. The Chairperson of the Board or the President
37 of the Corporation, in his absence, shall preside over the shareholder's meetings. If the day
38 fixed for the annual meeting shall be a legal holiday within the Navajo Nation, such meeting
39 shall be held on the next succeeding business day. To the extent authorized by applicable
40 law, the Corporation may, under such rules and procedures as the Navajo Nation Council
41 may lawfully prescribe, make an annual report to the Navajo Nation Council or its authorized
42 standing committee in lieu of holding an annual meeting.

1 B. Special Meetings. Special meetings of the shareholder, for any purpose or
 2 purposes, unless otherwise prescribed by applicable law, may be called by the President of
 3 the Corporation or by the Board of Directors, and shall be called by the President of the
 4 Corporation at the request of the Speaker of the Navajo Nation Council on behalf of the
 5 shareholder representatives. Special meetings shall require written notice stating the place,
 6 day and hour of the meeting and the purpose or purposes for which the meeting is called.
 7 Such notice shall be delivered not less than ten (10) nor more than thirty (30) days before the
 8 date of the meeting, either personally or by mail, to each of the directors of the Corporation,
 9 to the Speaker of the Navajo Nation Council, and to the President of the Navajo Nation. Any
 10 business in addition to that specified in the notice of the meeting may be transacted at any
 11 special meeting of the shareholder with the consent of the Navajo Nation Council.

12
 13 C. Voting. At all meetings of the shareholder, whether an annual meeting or a special
 14 meeting, the shareholder representatives shall sit in their capacity as representatives of the
 15 sole shareholder and not as members of the Navajo Nation Council. Matters within the scope
 16 and legal authority of the shareholder under this Charter shall only be discussed and decided
 17 by the shareholder representatives present at a shareholder meeting duly called as provided
 18 in this Charter. On any issue or question presented to the shareholder, a vote shall be taken
 19 of those shareholder representatives present, if a quorum is present. The presence or absence
 20 of a quorum shall be determined with reference to the quorum requirements of the Navajo
 21 Nation Council itself. All of the stock owned by the Navajo Nation shall be voted in the
 22 manner decided by a majority of those shareholder representatives present.

23
 24 D. Quorum. Seven shareholder representatives shall constitute a quorum for any
 25 meeting of the shareholders.

26
 27 **ARTICLE XI. -- Board of Directors.**

28
 29 A. Management Authority. The business affairs of the Corporation shall be managed
 30 exclusively by its Board of Directors. The Navajo Nation shall have no authority to direct
 31 the business affairs of the Corporation, except through its status as the sole shareholder of
 32 the Corporation and as provided in this Charter.

33
 34 B. Number. The initial Board shall consist of nine (9) Directors, but the number of
 35 directors may thereafter be increased or decreased at any time by a duly adopted resolution
 36 of the shareholder. The Board may elect a Chairperson from its membership. The
 37 Chairperson shall preside at Board meetings. The President of the Corporation shall assume
 38 the duties of the Chairperson in the absence of the Chairperson. The Secretary/Treasurer of
 39 the Corporation shall serve as Secretary/Treasurer for the Board.

40
 41 C. How Elected. A Board of Directors to succeed the initial Board shall be elected
 42 within twelve (12) months following the effective date of this Charter. The Agency Councils
 43 shall nominate five (5) Directors and the President of the Navajo Nation shall nominate four

(4) Directors. The list of the nine nominees shall be presented to the Economic Development Committee of the Navajo Nation Council or any successor committee for its recommendations to the Government Services Committee of the Navajo Nation Council ("Committee") for its final confirmation at a duly scheduled meeting of the Committee at which a quorum is present. The Committee shall consider and vote on each nominee individually, and a majority vote in favor of a nominee shall constitute confirmation of the nominee as a Director. The Committee may for any reason table any nomination for consideration at the next duly scheduled meeting of the Committee. If any nominee is rejected by vote of the Committee, the Committee shall so notify the Agency Council(s) or the President of the Navajo Nation as appropriate, who shall make a new nomination for consideration by the Committee in conformity with the procedures established by this paragraph. Whenever any vacancy shall occur in the Board of Directors by death, resignation, removal or otherwise, the same shall be filled without undue delay. Depending upon the Board position vacated, a new Director shall be nominated by the President of the Navajo Nation or the appropriate Agency Council to maintain the representation established by this paragraph. The nominee shall be confirmed in conformity with the procedures established by this paragraph.

D. Term of Office. Three of the Directors initially elected by the Government Services Committee of the Navajo Nation Council shall be confirmed for terms of one (1) year each; three shall be confirmed for terms of two (2) years each; and three shall be confirmed for terms of three (3) years each. After the expiration of the initial term as Director, each successor Director shall be confirmed for a term of three (3) years.

E. Initial Board of Directors. The Initial Board of Directors of the Corporation shall consist of the following persons, who shall serve until their successors are elected as provided in paragraph C of this Article:

<u>Name</u>	<u>Address</u>
Louis Denetsosie, Esq. Chairperson	P.O. Box 2544 Window Rock, AZ 86515
Larry S. Hansen Vice-Chairperson	Salt Lake City Business Unit 474 West 900 North Salt Lake City, UT 84103-1494
Marjorie Irwin Secretary/Treasurer	Northern Agency Council P.O. Box 7839 Newcomb, NM 87455
Gilene Begay	Chinle Agency Council P.O. Box 1416 Kayenta, AZ 86033

Raphael Martin Eastern Agency Council
P.O. Box 402
Church Rock, NM 87311

Bennie Silversmith Ft. Defiance Agency Council
P.O. Box 1037
Window Rock, AZ 86515

Vacant (3)

F. Qualifications of Directors.

1. At all times the majority of the Directors shall be enrolled members of the Navajo Nation, and all non-member Directors shall be respected individuals with substantial experience in positions of responsibility in business or government. All directors nominated by the President of the Navajo Nation under Paragraph C of this Article XI shall have substantial experience in positions of responsibility in the oil and gas industry.

2. No employee of the Bureau of Indian Affairs shall be eligible to serve as a Director during the time of such employment.

3. No more than one-third (1/3) of the Directors may serve concurrently on the Board of Directors of the Corporation and on any other board of a corporation owned by the Navajo Nation.

G. Duties of Directors. The Board of Directors shall manage the general affairs and business of the Corporation. The Directors shall in all cases act as a Board, regularly convened, by a majority vote, and they may adopt such rules and regulations for the conduct of their meetings and the management of the Corporation as they may deem proper, not inconsistent with this Charter, the bylaws of the Corporation and applicable tribal or federal law. A director shall perform his duties as a director in good faith, in a manner the director believes to be in or not opposed to the best interests of the Corporation, and with such care as an ordinarily prudent person would use under similar circumstances in a like position. Unless the director has knowledge concerning the matter in question that would cause such reliance to be unwarranted, in performing such duties a director shall be entitled to rely on factual information, opinions, reports or statements, including financial statements and other financial data, in each case prepared or presented by:

1. One or more officers or employees of the Corporation whom the director reasonably believes to be reliable and competent in the matters presented;

1 2. Legal counsel, public accountants or other persons as to matters which the
2 director reasonably believes to be within such person's professional or expert competence:
3 or

4
5 3. A committee of the Board upon which the director does not serve, duly
6 designated in accordance with a provision of the bylaws, as to matters within its designated
7 authority, which committee the director reasonably believes to merit confidence.

8
9 H. Directors' Meetings. A regular meeting of the Board of Directors shall be held
10 following the annual meeting of the shareholder. Special meetings of the Board of Directors
11 may be called by the President of the Corporation after consultation with the Chairperson of
12 the Board or in his absence the Vice-Chairperson, and shall be called by the President or the
13 Secretary/Treasurer upon the request of three (3) or more Directors.

14
15 I. Notice of Meetings. Notice of meetings, other than the regular annual meeting
16 shall be given by service upon each Director in person, or by mailing to the last known post
17 office address of the Director, at least ten (10) days before the date therein designated for
18 such meeting, including the day of mailing, of a written or printed notice thereof specifying
19 the time and place of such meeting, and the business to be brought before the meeting. No
20 business other than that specified in such notice shall be transacted at any special meeting.
21 At any meeting at which every elected member of the Board of Directors shall be present,
22 although held without notice, any business may be transacted which might have been
23 transacted if the meeting had been duly called.

24
25 J. Quorum. At a meeting of the Board of Directors, a majority of the elected Board
26 shall constitute a quorum for the transaction of business; but in the event of a quorum not
27 being present, a lesser number may adjourn the meeting from time to time without further
28 notice.

29
30 K. Voting. At a meeting of the Board of Directors, each elected Director has one
31 vote. A majority of a quorum of the Board of Directors carries any issue.

32
33 L. Meeting Options. Except as otherwise restricted by the Bylaws of the
34 Corporation, members of the Board of Directors or any committee designated thereby may
35 participate in a meeting of the Board or committee by means of a conference telephone call
36 or similar communications equipment by which all persons participating in the meeting can
37 hear each other at the same time and participation by such means shall constitute presence
38 in person at a meeting. Except as otherwise restricted in the Bylaws of the Corporation, any
39 action required or permitted to be taken at a meeting of the Board of Directors may be taken
40 without a meeting by orally polling the Directors or by a consent in writing, setting forth the
41 action so taken, signed by all of the Directors, and the polling or consent shall have the same
42 effect as a regular vote.

1 M. Resignation and Removal of Directors. Any Director may resign at any time by
 2 giving written notice to the Chairperson of the Board, and such resignation shall be effective
 3 on the date specified in the notice. Any one or more of the Directors may be removed with
 4 cause at any time by a vote of the shareholder representatives at any special meeting called
 5 for that purpose, or at the annual meeting.

6
 7 N. Presumption of Assent. A Director who is present at a meeting of the Board of
 8 Directors at which action on any corporate matter is taken shall be presumed to have assented
 9 to the action taken, unless such dissent shall be entered in the minutes of the meeting or
 10 unless the Director shall file a written dissent to such action with the person acting as the
 11 secretary of the meeting before the adjournment thereof or shall forward such dissent by
 12 registered or certified mail to the Secretary/Treasurer of the Corporation immediately after
 13 the adjournment of the meeting. Such right to dissent shall not apply to a Director who voted
 14 in favor of such action.

15
 16 O. Liability of Directors. A Director shall not be personally liable to the Corporation
 17 or its shareholder for monetary damages for breach of fiduciary duty as a director unless:

18
 19 1. The Director has breached or failed to perform the duties of the director's
 20 office as provided in paragraph G of this Article XI, and

21
 22 2. The breach or failure to perform constitutes willful misconduct or
 23 recklessness.

24 25 ARTICLE XII. -- Officers.

26
 27 A. Number and Positions. The officers of the Corporation shall be the President, the
 28 Vice-President, and the Secretary/Treasurer. Any two or more offices may be held by the
 29 same person, except the offices of President and Secretary/Treasurer may not be held by the
 30 same person at the same time. The Board of Directors may by resolution add additional
 31 officer positions at any time and appoint persons to fill such positions until the annual
 32 election is held as provided in this Charter.

33
 34 B. Election. All officers of the Corporation shall be elected annually by the Board
 35 of Directors at its meeting held immediately after the annual meeting of the shareholder, and
 36 unless expressly provided otherwise in a written contract of employment shall hold office for
 37 the term of one year or until their successors are duly elected.

38
 39 C. Initial Officers. The initial officers of the Corporation shall consist of the
 40 following persons, who shall serve until the first annual meeting of the Board or until their
 41 successors are elected and shall qualify:

<u>Name and Office</u>	<u>Address</u>
President	Louis Denetsoie, Esq. P.O. Box 2544 Window Rock, AZ 86515
Vice President	Larry S. Hansen Salt Lake City Business Unit 474 West 900 North Salt Lake City, UT 84103-1494
Secretary/Treasurer	Marjorie Irwin Northern Agency Council P.O. Box 7839 Newcomb, NM 87455

D. Duties of Officers. The duties and powers of the officers of the Corporation shall be provided in the Bylaws.

E. Compensation. The officers shall receive such expense reimbursement, salary or compensation as may be determined by the Board of Directors.

F. Resignation and Removal of Officers. Any officer may resign at any time by giving written notice to the President of the Corporation, and such resignation shall be effective on the date specified in the notice. Unless expressly provided otherwise in a written contract of employment, any one or more of the officers may be removed with or without cause, at any time by a vote of the Board of Directors, at any special meeting called for that purpose, or at the annual meeting.

G. Vacancies. All vacancies in any office shall be filled by the Board of Directors without undue delay, at its regular meeting or at a meeting specially called for that purpose for the unexpired portion of the term.

ARTICLE XIII. -- Indemnification.

A. The Corporation shall indemnify any person against reasonable expenses actually and necessarily incurred by such person who was or is a party, or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that such person is or was a director, officer, employee or agent of the Corporation if:

1. Such person acted in good faith and in a manner such person reasonably believed to be in, or not opposed to, the best interests of the Corporation; and

1 2. Such person did not act, fail to act, or refuse to act willfully or with gross
2 negligence or with fraudulent or criminal intent; and
3

4 3. Any legal fees paid or any settlements made are reasonable, provided that
5 with respect to any criminal action or proceeding the Corporation shall not be liable to
6 indemnify for any criminal fine for which such person is personally liable; and
7

8 4. The person seeking indemnification did not act beyond the scope of his or
9 her employment or office.
10

11 B. By action of the Board of Directors, notwithstanding any interest of the Directors
12 in the decision to purchase and maintain insurance, the Corporation may purchase and
13 maintain insurance, in such amounts as the Board of Directors deems appropriate, on behalf
14 of any person who is or was a director, officer, employee or agent of the Corporation, or is
15 or was serving at the request of the Corporation as a director, officer, employee or agent of
16 another corporation, partnership, joint venture, trust or other enterprise, against any liability
17 asserted against such a person and incurred by such a person in any such capacity, or arising
18 out of that person's status as such, whether or not the Corporation would have the power or
19 would be required to indemnify that person against such liability under the provisions of this
20 Article or of the Navajo Nation Corporation Code.
21

22 **ARTICLE XIV. -- Dividends.**
23

24 A. The Board of Directors may declare dividends from the surplus profits of the
25 Corporation whenever, in its opinion, the condition of the Corporation's affairs will render
26 it expedient for such dividends to be declared; Provided that no distribution may be made if
27 either:
28

29 1. The Corporation would not be able to pay its debts as they become due in
30 the usual course of its business, or
31

32 2. The Corporation's total assets would be less than the sum of its total
33 liabilities.
34

35 B. All dividends declared by the Board of Directors shall be paid to the Navajo
36 Nation as the sole shareholder.
37

38 **ARTICLE XV. -- Reports to Shareholder**
39

40 A. The Corporation shall maintain its financial records in conformity with generally
41 accepted accounting principles.
42

1 B. The Board of Directors of the Corporation shall, no less frequently than on a semi-
 2 annual basis, report in writing to the shareholder representatives on the financial and
 3 operating condition of the Corporation, including the assets and liabilities of the Corporation
 4 and the official actions of the Corporation's officers. The content of the report shall be
 5 determined jointly by the Chairperson of the Board of Directors and the Executive Director
 6 of the Division of Economic Development of the Navajo Nation.

7
 8 C. The financial and operating records of the Corporation shall at all reasonable times
 9 be open to inspection by the shareholder representatives.

10
 11 D. The Corporation shall, within 120 days following the close of the Corporation's
 12 fiscal year, submit to the shareholder representatives an audited financial statement showing
 13 the status of the Corporation as of the last day of the Corporation's fiscal year.

14
 15 **ARTICLE XVI. -- Claims against the Corporation.**

16
 17 A. The Corporation is an instrumentality of the Navajo Nation and is entitled to all
 18 of the privileges and immunities of the Navajo Nation, except as provided in this Article
 19 XVI. The Corporation and its directors, officers, employees and agents while acting in their
 20 official capacities are immune from suit, and the assets and other property of the Corporation
 21 are exempt from any levy or execution, provided that, notwithstanding any other provision
 22 of law, including but not limited to the Navajo Sovereign Immunity Act, 1 N.J.C. § 551, *et*
 23 *seq.*, the Board of Directors may waive the defenses identified in this Article, in conformity
 24 with the procedures established in this Article, in order to further the purposes of the
 25 Corporation. Any waiver of the defenses identified in this Article must be express and must
 26 be agreed to by the Board of Directors prior to the time any alleged cause of action accrues.

27
 28 B. The Corporation is hereby authorized to waive, as provided in this Article XVI,
 29 any defense of sovereign immunity from suit the Corporation, its directors, officers,
 30 employees, attorneys or agents may otherwise enjoy under applicable federal, state or tribal
 31 law, arising from any particular agreement, matter or transaction as may be entered into to
 32 further the purposes of the Corporation, and to consent to alternative dispute resolution
 33 mechanisms such as arbitration or mediation or to suit in tribal, state and/or federal court.
 34 The Corporation is authorized, in conformity with 13 C.F.R. § 124.112(c)(1) (1992), to
 35 designate United States federal courts to be among the courts of competent jurisdiction for
 36 all matters related to the Small Business Administration's programs including but not limited
 37 to 8(a) Program Participation, loans, advance payments and contract performance.

38
 39 C. The Corporation is hereby authorized to waive, as provided in this Article XVI,
 40 any defense the Corporation, its directors, officers, employees, attorneys or agents may
 41 otherwise assert that federal, state or tribal law requires exhaustion of tribal court remedies
 42 prior to suit against the Corporation in a state or federal court otherwise having jurisdiction
 43 over the subject matter and the parties.

1 D. Any waiver by the Corporation authorized by Paragraph A, B or C of this Article
 2 XVI shall be in the form of a resolution duly adopted by the Board of Directors, upon thirty
 3 (30) days written notice to the Navajo Nation Council of the Board's intention to adopt the
 4 resolution. The resolution shall identify the party or parties for whose benefit the waiver is
 5 granted, the agreement or transaction and the claims or classes of claims for which the waiver
 6 is granted, the property of the Corporation which may be subject to execution to satisfy any
 7 judgment which may be entered in the claim, and shall identify the court or courts in which
 8 suit against the Corporation may be brought. Any waiver shall be limited to claims arising
 9 from the acts or omissions of the Corporation, its directors, officers, employees or agents,
 10 and shall be construed only to effect the property and income of the Corporation.
 11

12 E. Nothing in this Charter, and no waiver of the Corporation's sovereign immunity
 13 pursuant to this Article shall be construed as a waiver of the sovereign immunity of the
 14 Navajo Nation or any other instrumentality of the Navajo Nation, and no such waiver by the
 15 Corporation shall create any liability on the part of the Navajo Nation or any other
 16 instrumentality of the Navajo Nation for the debts and obligations of the Corporation, or shall
 17 be construed as a consent to the encumbrance or attachment of any property of the Navajo
 18 Nation or any other instrumentality of the Navajo Nation based on any action, adjudication
 19 or other determination of liability of any nature incurred by the Corporation. The acts and
 20 omissions of the Corporation, its directors, officers, employees and agents shall not create
 21 any liability, obligation or indebtedness either of the Navajo Nation or payable out of assets,
 22 revenues or income of the Navajo Nation.
 23

24 F. Nothing in this Charter, and no action taken by the Corporation pursuant to this
 25 Charter, shall be construed as permitting, recognizing, or granting any state any regulatory
 26 jurisdiction or taxing jurisdiction over the property or activities of the Corporation or its
 27 employees located within the boundaries of Navajo Indian Country.
 28

29 ARTICLE XVII. -- Merger. 30

31 A. The Corporation is authorized to merge with Navajo Nation Oil and Gas
 32 Company, Inc., a Navajo Corporation, which is wholly-owned by the Navajo Nation, on the
 33 terms provided in this Article. In the event of such a merger, the Navajo Corporation shall
 34 comply with all applicable provisions of the Navajo Nation Corporation Code governing
 35 merger with a foreign corporation. This Corporation shall follow the procedures established
 36 by this Article or as may otherwise be established by federal law. A merger conducted in
 37 conformity with this Article shall not require the approval of the Secretary of the Interior.
 38

39 B. The Board of Directors of this Corporation shall by resolution approve a plan of
 40 merger setting forth the details of the proposed merger. The Board shall by resolution direct
 41 that the plan of merger be submitted to a vote at a meeting of the shareholder representatives.
 42 The plan of merger shall provide that this Corporation is to be the surviving corporation

1 following the proposed merger, and shall not include or be deemed to require any
2 amendment of this Charter.

3
4 C. Upon approval of the plan of merger by the shareholder representatives of this
5 Corporation as provided in this Article and by the Navajo Corporation as provided in the
6 Navajo Nation Corporation Code, Articles of Merger shall be executed by each corporation
7 by its Chairperson of the Board, President or Vice-President and by its Secretary/Treasurer.
8 The executed Articles of Merger shall be filed with the Secretary of the Interior and as
9 required by the Navajo Nation Corporation Code. The merger shall become effective as to
10 this Corporation upon delivery of the Articles of Merger to the Secretary of the Interior and
11 shall be effective as to the Navajo Corporation as provided in the Navajo Nation Corporation
12 Code.

13
14 D. When the merger has become effective as to both corporations, this Corporation
15 and the Navajo Corporation shall become a single corporation, which shall be this
16 Corporation and which shall be governed by this Charter.

17
18 E. The surviving corporation shall have all the rights, privileges, immunities and
19 powers of a corporation organized under 25 U.S.C. § 477 as specified in this Charter. This
20 Corporation shall acquire all the rights and be subject to all the liabilities and obligations of
21 this Corporation and of the Navajo Corporation, as provided in Navajo law.

22
23 **ARTICLE XVIII. -- Seal.**

24
25 The seal of the Corporation shall be as follows:

26
27 Navajo Nation Oil and Gas Company
28 Navajo Nation
29

30 **ARTICLE XIX. -- Dissolution.**

31
32 A. After issuance of this Charter by the Secretary of the Interior and ratification by
33 the Navajo Nation Council, the Corporation may be dissolved only as provided in this
34 Article.

35
36 B. The Corporation may be dissolved by the act of the Corporation as follows:

37
38 I. The Navajo Nation Council acting as shareholders' representative at a duly
39 called meeting may require the Board of Directors to adopt, or the Board of Directors, on its
40 own initiative and upon its determination that dissolution is advisable, shall adopt, a
41 resolution recommending that the Corporation be dissolved and directing that the question
42 of dissolution be submitted to a vote at a meeting of the shareholder representatives, which
43 may be either an annual or special meeting.

1 2. Written notice shall be given to the shareholder representatives in the
2 manner provided in this Charter for giving notice of meetings of the shareholder
3 representatives, and shall state that the purpose, or one of the purposes, of the meeting is to
4 consider the advisability of dissolving the Corporation.

5
6 3. At the shareholder representatives meeting, a vote shall be taken on a
7 resolution to dissolve the Corporation.

8
9 4. Upon adoption of the resolution, a statement of intent to dissolve shall be
10 executed by the Corporation by its President or Vice-President and by its Secretary/Treasurer
11 and verified by one of the officers signing the statement, and shall be delivered to the
12 Secretary of the Interior.

13
14 5. Upon filing with the Secretary of the Interior of the statement of intent to
15 dissolve, the Corporation shall cease to carry on its business, except insofar as necessary for
16 the winding up thereof, but its corporate existence shall continue until this Charter is revoked
17 by act of Congress.

18
19 6. After filing the statement of intent to dissolve, the Corporation shall
20 immediately cause notice thereof to be mailed to each known creditor of the Corporation;
21 shall proceed to collect its assets, convey and dispose of such of its properties as are not to
22 be distributed in kind to its shareholder; pay, satisfy and discharge its liabilities and
23 obligations and do all other acts required to liquidate its business and affairs; and, after
24 paying or adequately providing for the payment of all its obligations, distribute the remainder
25 of its assets, either in cash or in kind, to its shareholder.

26
27 7. By resolution of the Board of Directors or by resolution adopted by the
28 Navajo Nation Council at any time prior to revocation of this Charter by act of Congress, the
29 Corporation may revoke voluntary dissolution proceedings. Written notice of the revocation
30 shall be filed with the Secretary of the Interior. Upon filing the notice of revocation of
31 voluntary dissolution proceedings, the revocation shall be effective and the Corporation may
32 again carry on its business.

33
34 8. If voluntary dissolution proceedings have not been revoked, when all debts,
35 liabilities and obligations of the Corporation have been paid and discharged, or adequate
36 provision has been made therefor, and all of the remaining property and assets of the
37 Corporation have been distributed to the Navajo Nation and the Secretary of the Interior shall
38 take all actions necessary to obtain an act of Congress revoking this Charter and dissolving
39 the Corporation.

1 ARTICLE XX. -- Amendments.

2
3 A. The authority to petition for amendments to this Charter is vested in the Navajo
4 Nation Council, but such amendments shall have no legal effect until approved by the
5 Secretary of the Interior and ratified by the Navajo Nation Council in accordance with 25
6 U.S.C. § 477, as amended, and in accordance with applicable tribal law.

7
8 B. The Board of Directors may request the Navajo Nation Council to petition the
9 Secretary of the Interior for amendments to this Charter, but the final decision on submitting
10 any such petition shall be made by the Navajo Nation Council.
11

12 CERTIFICATE OF APPROVAL

13
14 I, [Signature], Assistant Secretary - Indian Affairs, by virtue of the
15 authority granted to the Secretary of the Interior by the Act of June 18, 1934 (48 Stat. 984,
16 25 U.S.C. § 477), as amended, and delegated to me by 209 D.M. 8.1, do hereby approve this
17 Federal Charter of Incorporation for use by the Navajo Nation and its enterprise, the Navajo
18 Nation Oil and Gas Company. It shall become effective upon ratification by the Navajo
19 Nation Council, PROVIDED, that nothing in this approval shall be construed as
20 authorizing any action under this document that would be contrary to Federal law.
21
22

23
24
25
26
27 Assistant Secretary - Indian Affairs

28 Washington, D.C.

29 Date: DEC 23 1997

Exhibit 2

Exhibit 2

NAVAJO NATION OIL AND GAS COMPANY

A Federally Chartered Corporation

BYLAWS

Amended January 27, 2013

Preamble

These Bylaws, effective on the date stated in the Certification below, shall supersede and replace all other bylaws and resolutions of the Board of Directors that have amended the bylaws, as of such effective date. These Bylaws are designed to supplement and explain related provisions in the Company's Federal Charter of Incorporation ("Charter"), without extensive duplication or inconsistency. In the event of any perceived inconsistency between these Bylaws and such Charter, the provisions of the Charter shall prevail.

Article I - Corporate Offices

Section 1.1 The principal office of the Navajo Nation Oil and Gas Company (the "Corporation") in the Navajo Nation shall be located in or near Window Rock, Navajo Nation (Arizona).

Section 1.2 The registered office of the Corporation required to be maintained in the Navajo Nation may be, but need not be, identical with the principal office of the Corporation, and the address of such registered office may be changed from time to time by the Board of Directors.

Article II - Shareholder

Section 2.1 Shareholder Representatives. Pursuant to resolution CJA-4-97 (Jan. 21, 1997) of the Navajo Nation Council which approved the Federal Charter of Incorporation, the Federal Charter of Incorporation issued by the Secretary of the United States Department of the Interior on December 23, 1997, and resolution CF-22-98 (Feb. 5, 1998) of the Navajo Nation Council, which ratified the Federal Charter of Incorporation, the Navajo Nation is and shall be the sole owner of shares of stock in the Corporation (the sole "shareholder"). The sole shareholder shall be represented by representatives appointed from each of the standing committees of the Navajo Nation Council ("shareholder representatives") or their successors. Each standing committee shall have the discretion for appointing its shareholder representative.

Section 2.2 Place of Meetings. All meetings of the shareholder representatives shall be held at the principal office of the Corporation, or at such other place within or outside the Navajo Nation, as may be necessary and as shall be specified or fixed in the notices or waivers of notice thereof.

Section 2.3 Annual Meeting. The annual meeting of the shareholder representatives shall be held on the first Wednesday of May, beginning at the hour of 10:00 a.m., at the principal office of the Corporation, or at some other time and place specified by the Chairperson of the Board, after completion and approval of the Corporation's annual audit.

Section 2.4 Special Meetings. Special meetings of the shareholder representatives, for any purpose or purposes may be called by the President of the Corporation after consultation with the Board of Directors or by a majority of the Board of Directors, and shall be called by the President of the Corporation at the request of a majority of the shareholder representatives.

Section 2.5 Notice of Meetings. Written notice of any annual or special meeting of the shareholder representatives shall be given to each shareholder representative and each Director of the Corporation, stating the place, day and hour of the meeting and the purpose or purposes for which the meeting is called, and shall be delivered not less than ten (10) days nor more than thirty (30) days before the date of the meeting, either personally or by mail to each shareholder representative and each Director of the Corporation.

Section 2.6 Quorum. A majority of the shareholder representatives shall constitute a quorum for any meeting of the shareholder representatives.

Section 2.7 Stock Certificates. The certificates of stock shall be numbered and registered in the order in which they were issued. They shall be bound in a book and shall be issued in consecutive order therefrom, and in the margin thereof shall be entered the name of the sole shareholder owning the shares therein represented, with the number of shares and the dates thereof. They shall be signed by the Secretary/Treasurer of the Corporation and sealed with the seal of the Corporation.

Article III - Directors

Section 3.1 Authority. The Board of Directors shall provide high level governance and oversight of the Corporation, subject to the restrictions of the Charter and applicable law.

Section 3.2 Number. The Board of Directors shall consist of nine (9) directors, until such time as the Restated Charter is approved and ratified by the Navajo Nation Council. Directors shall be nominated, recommended and confirmed in accordance with Section 3.15 of these Bylaws and Article XI of the Charter.

Section 3.3 Term. The terms of the initial Directors will be staggered from one (1) to three (3) years as appropriate. Thereafter, each successor Director shall serve a term of three (3) years as determined by the Nominations Committee of the Board of Directors, except those replacing a Board member under Section 3.12, whose term shall coincide with that of the Board member being replaced. Unless a Board member is removed or resigns or otherwise vacates his or her position as a Board member, such Board member shall serve as such, and be entitled to all of the rights and subject to all of the duties of a Board member, including the right to vote on

matters properly coming before the Board, until the end of his or her term or until his or her successor is confirmed in accordance with Section 3.15, whichever occurs later.¹

Section 3.4 Annual Meetings. An annual meeting of the Board of Directors shall be held immediately following the annual meeting of the shareholder representatives.

Section 3.5 Regular Meetings. Regular meetings shall be held at least once a quarter at the place, day and time as determined by the Board of Directors.

Section 3.6 Special Meetings. Special meetings may be called by the President of the Corporation after consultation with the Chairperson or, in his absence, the Vice Chairperson, and shall be called by the Chairperson or President upon the request of three (3) or more Directors, one of whom may include the Chairperson.

Section 3.7 Notice of Meetings: Waiver.

a. Notice of meetings shall be given by service upon each Director in person, or by mailing to the last known street or post office address of the Director, at least ten (10) days but no more than thirty (30) days, before the date therein designated for such meeting, including the day of mailing, of a written or printed notice thereof specifying the place, day and hour of the meeting and the purpose or purposes for which the meeting is called. No business other than that specified in such notice shall be transacted at any special meeting.

b. Notice of any regular or special meeting of the Board of Directors may also be given by other reliable and verifiable means, such as facsimile, telephone, e-mail or other electronic communication when deemed feasible and appropriate by the Chairperson of the Board.

c. Attendance of a Director at a meeting shall constitute a waiver of notice of such meeting, except where a Director attends a meeting for the expressed purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

d. At any meeting at which every member of the Board of Directors shall be present, although held without notice, any business may be transacted which might have been transacted if the meeting had been duly called.

¹ This bylaw is in conformity with general corporation law, a proper interpretation of the Navajo Corporation Code, and the best interest of the Corporation. See 5 N.N.C. § 3100 (B) (Navajo Nation Corporation Act is "based upon the American Bar Association's Model Business Corporation Act..."); Model Business Corporation Act, § 8.05 (e) ("Despite the expiration of a director's term, he continues to serve until his successor is elected and qualifies..."); 7 N.N.C. § 204 (c) (Navajo choice of law provision authorizing reference to state and federal law); 2 Fletcher, Cyclopedia of the Law of Private Corporations, § 344 ("Directors or other officers of a corporation elected or appointed for a certain time hold over after the expiration of their term until their successors are elected or appointed."); Scarda v. C.I.R., 250 F.2d 429, 434 & n.7 (10th Cir. 1957). See also 53-11-36, N.M.S.A. ("Each director shall hold office for the term for which he is elected and until his successor has been elected and qualified.").

e. The Board, upon majority vote of members present at any meeting at which a quorum is present, may make such amendments to the agenda of such meeting as it deems proper, prudent, and in the Corporation's best interest

Section 3.8 Quorum. A majority of the Directors shall constitute a quorum for the transaction of business at any meeting of the Board of Directors. The Chairperson (or, in his or her absence, any Board member acting in the Chairperson's stead) shall be counted in determining the presence or absence of a quorum of the Board.

Section 3.9 Voting. Each Director has one vote at any meeting of the Board of Directors and a majority of the quorum carries any issue. The Chairperson (or, in his or her absence, any Board member acting in the Chairperson's stead) shall be entitled to vote on any matter decided by the Board.

Section 3.10 Meeting Options. Members of the Board of Directors or any committee designated thereby may participate in a meeting of the Board or committee by means of a conference telephone call or similar communications equipment by which all persons participating in the meeting can hear each other at the same time and participation by such means shall constitute presence in person at a meeting.

Section 3.11 Action Without Meetings. Any action required or permitted to be taken at a meeting of the Board of Directors may be taken without a meeting by orally polling the Directors or by a consent in writing, setting forth the action so taken, signed by all of the Directors, and the polling or consent shall have the same effect as a regular vote.

Section 3.12 Resignation; Removal.

a. Any Director may resign at any time by giving written notice to the Chairperson of the Board, and such resignation shall be effective on the date specified in the notice.

b. Any one or more of the Directors may be suspended by the Board of Directors or removed with cause (as defined in Appendix A to these Bylaws) at any time by a vote of the shareholder representatives at the annual meeting or any special meeting called for that purpose. For purposes of removal of any Director, the Board of Directors and shareholder representatives shall comply with the "Standards and Procedures for the Removal of Members of the Board of Directors," attached hereto as Appendix A.

Section 3.13 Vacancy. Whenever any vacancy in any Board of Directors position shall occur by death, resignation, removal or otherwise, a replacement shall be nominated and confirmed for the unexpired portion of the term in accordance with Section 3.15 of these Bylaws and Article XI(C) of the Charter.

Section 3.14 Compensation. The Directors shall be reimbursed for expenses reasonably incurred and paid such reasonable compensation as set forth in the Travel Policies and Procedures, which may be changed by resolution from time to time. Any Director who performs

extraordinary services on behalf of the entire Board may be paid a reasonable sum for services as determined and approved by the Board.

Section 3.15 Nominations. Candidates for the Board of Directors shall possess the qualifications set forth in Section 3.16. The Nominations Committee of the Board of Directors shall receive and screen all candidates and recommend up to three successful candidates to the Navajo Nation President or the appropriate Agency Council, as the case may be. The Navajo Nation President or appropriate Agency Council shall then recommend one Nominee to the Resources and Development Committee and such Nominee shall be confirmed by the Naa'bik'iyáti' Committee of the Navajo Nation Council. The Naa'bik'iyáti' Committee shall consider and vote on each Nominee individually, and a majority vote in favor of a Nominee shall constitute confirmation of the Nominee as a Director. If any Nominee is not accepted by the Resources and Development Committee or Naa'bik'iyáti' Committee, the respective party shall so notify the Chairperson of the Corporation's Board of Directors, and the Nominations Committee of such Board in coordination with the Navajo Nation President or appropriate Agency Council shall make a new recommendation for consideration in conformity with this Section 3.15 and Article XI of the Charter.

Section 3.16 Qualifications.

a. Each Director shall have substantial management experience in the oil and gas industry, or shall have substantial experience and/or management responsibility in corporate finance, accounting, economics, law, business management, engineering, geophysics, geology, or similar discipline. It is preferred that at least one Board member have substantial oil field and production experience and knowledge of the general regulatory framework for oil and gas operations within Navajo Indian country, and that each Director have knowledge of corporate financial statements and capital planning. Each Director shall possess at least a Bachelor's degree from a recognized and accredited four-year institution of higher learning, and advanced degrees are preferred. Subject to these qualifications, a majority of the Directors shall be enrolled members of the Navajo Nation.

b. No Director shall be an employee of the federal or Navajo Nation government. No Director shall be a public official of the Navajo Nation as defined in 2 N.N.C. § 3742 (S) (2008), as amended, including without limitation Navajo Nation Council delegates, Chapter officials, grazing committee members, commissioners, land board members, farm board members, or school board members. No Director shall be a director (or commissioner) of any other Navajo Nation owned enterprise, industry, authority or corporation. The requirements of Paragraphs (a) and (b) of this Section 3.16 shall not apply to any consecutive renominations or confirmations of the Board members serving as of the date (July 28, 2011) of these amendments to the Bylaws.

c. The Nominations Committee of the Board of Directors (or its successor committee) shall conduct appropriate due diligence, including without limitation background and credit checks on any person nominated and/or confirmed or seated as a member of the Board to ensure compliance with the requirements of this Section 3.16 and Article XI(F) of the Charter. The Nominations Committee shall not nominate:

- i. any person who has been convicted or entered a plea of *nolo contendere* in any court of a felony or misdemeanor, including without limitation those involving dishonesty or moral turpitude, extortion, embezzlement, theft, violation of fiduciary duty, bribery, perjury, or fraud; provided, that any misdemeanor shall be limited to the last ten (10) years of such person's history, and, provided further, that the Nominations Committee shall have discretion to waive any misdemeanor upon presentation of reasonable evidence or justification;
 - ii. any person who violates the principles of the Navajo Nation Ethics in Government Law Act, 2 N.N.C. § 3741 *et seq.*, provided any such violation shall be limited to the last ten (10) years of such person's history, and, provided further that the Nominations Committee shall have discretion to waive any such violation upon presentation of reasonable evidence or justification;
 - iii. any person who has declared bankruptcy or been adjudicated bankrupt; has sought appointment of a receiver, trustee, or similar official for all or any substantial part of his or her assets; has made a general assignment for the benefit of creditors; or has been the subject of a proceeding commenced by others in the nature of bankruptcy or insolvency that either has resulted in an order of relief against such person or, if pending, has remained undischarged, undismissed, or unbonded for a period of sixty days (together, "Bankruptcy"); provided, however, that any Bankruptcy shall be limited to the last seven (7) years of such person's history, and, provided further, that the Nominations Committee shall have discretion to waive any Bankruptcy upon presentation of reasonable evidence or justification; or
 - iv. Any person who has been previously removed for cause from the Board of Directors of this Corporation or of any wholly-owned Navajo Nation enterprise, authority or corporation.
- d. The Board of Directors shall have the right not to seat any person nominated and confirmed in violation of the above requirements or who refuses to cooperate reasonably in any due diligence, in which cases such person shall be deemed to have been properly removed for cause and the Board shall so notify the shareholder representatives. The shareholder representatives shall have the right to remove any Director who violates the above requirements after having been seated.

Section 3.17 Duties and Responsibilities.

- a. Directors shall have the rights and responsibilities of directors of similar for-profit private corporations under general corporation law, unless those rights and responsibilities are inconsistent with Navajo Nation law, or the Corporation's Charter or these Bylaws. Those rights and responsibilities should be pursued and exercised in accordance with the primary purpose of the Corporation, to create and increase corporate profit and shareholder gain. Directors should provide leadership to accomplish these goals in two basic ways, decision-making and oversight. Such decision-making should focus on policies, strategic goals, and actions taken (often by resolution) on specific matters of singular significance to the Corporation, such as changes in the Charter or Bylaws, authorization of dividends, mergers, major new directions and capital investments.

- b. The overall responsibilities of the Directors include:
- i. Formulating, reviewing, monitoring, and amending, with management, as appropriate, fundamental operating, financial and other corporate plans, strategies and objectives;
 - ii. Selecting, evaluating and fixing the compensation of the President and evaluating and fixing the compensation of other corporate officers;
 - iii. Approving and implementing succession plans for the President;
 - iv. Evaluating the performance of the Corporation and taking action, including changing corporate plans, strategies and objectives and replacing the President, when appropriate;
 - v. Adopting policies of corporate conduct and monitoring compliance with those policies and with applicable laws and regulations, as well as the adequacy of accounting, financial and other internal controls;
 - vi. Evaluating the performance of the President and evaluating and determining the incentive pay of the President or other corporate officers who may be entitled such incentive pay under contract or otherwise; provided, however, that only those Board members who were confirmed and seated during a substantial portion of the rating period shall have the right to vote on such performance evaluation or incentive pay.
 - vii. Reviewing the process of providing appropriate financial and operational information to decision makers (including Board members) and shareholders; and
 - viii. Evaluating the overall effectiveness of the Board and its composition.

c. Other policies and standards of conduct of the Board of Directors are set forth in the attached Appendix B and are incorporated herein by reference.

d. In fulfilling its duties, the Board of Directors or its authorized delegate shall have the right to access corporate key executives and legal counsel. Directors have the right to inspect the Corporation's books and records, other relevant data and the facilities during regular business hours with notice to the Chairperson and the President and with due regard for the proper functioning of the Corporation, if reasonably necessary for the performance of their duties, to be given reasonable notice of all meetings in which the Director is entitled to

participate, and to be given copies of the minutes of the Board and all Committees thereof. These rights are accompanied by a duty not to disclose or to misuse such information.

Section 3.18 Persons Nominated But Not Yet Confirmed to the Board of Directors. The Board of Directors may, but is not required to, invite persons who have been selected, but not yet confirmed, to attend a Board meeting, work session or other function. If such an invitation is made and accepted, the Corporation may reimburse such person for his or her actual expenses reasonably incurred for such attendance, but such person shall not be entitled to the per diem stipend or honorarium to which confirmed Board members are entitled under these Bylaws. The Board shall keep in mind the need to maintain confidentiality and to satisfy its other duties to the Corporation in deciding whether to extend such invitation to such persons and in limiting such person's participation in such meeting, session or other function. Such person shall not be entitled to participate as a member of any Board committee until confirmed.

Article IV- Committees

Section 4.1 The Board of Directors may establish such committee or committees thereof by majority vote at a duly called meeting if deemed expedient and in the best interest of the Corporation. Each committee shall have two or more members and shall serve at the pleasure of the Board of Directors. Such committee or committees may be given all or any part of the authority of the Board of Directors, except no such committee may exercise the authority of the Board of Directors in reference to the following matters under 5 N.N.C. § 3315(A) (2005) or any other matter where the exercise of such authority would violate the Corporation's Charter, these Bylaws, or any applicable law:

- a. Submission to the members of any matter that requires an act of the members of the Board of Directors;
- b. Filling vacancies on the Board of Directors or on any committee of the Board of Directors;
- c. Adoption, amendment or repeal of bylaws; or
- d. Fixing compensation of Directors.

Section 4.2 The Board of Directors, with or without cause, may dissolve any such committee or remove any Director from the committee at any time. The designation of any such committee and the delegation of authority shall not operate to relieve the Board of Directors or any Director of any responsibility imposed by law.

Section 4.3 Each committee shall keep their own minutes and records of meetings. Each committee shall submit periodic reports to the Board of Directors.

Article V - Officers of the Board of Directors

Section 5.1 Officers of the Board of Directors. At its regular meeting immediately following the annual meeting of the shareholder, the Board shall elect a Chairperson, Vice Chairperson, Secretary and/or such other officers of the Board from its membership as the Board deems necessary or desirable in its discretion. Such officers shall serve until the next election of such officers or their replacement, resignation, removal, or event causing a vacancy in any such office.

Section 5.2 Duties and Responsibilities. The duties and responsibilities of the officers shall be as follows:

a. Chairperson. The Chairperson shall preside at all meetings of the Board of Directors and of the shareholder representatives. The Chairperson shall also perform such duties assigned by the Board of Directors.

b. Vice Chairperson. The Vice Chairperson shall perform such duties assigned by the Chairperson or the Board of Directors.

c. Secretary. The Secretary shall ensure that accurate minutes of meetings are taken, recorded and approved and that copies of the final approved minutes and resolutions are maintained in the corporate records.

Section 5.3 Other Duties. All officers of the Corporation shall faithfully perform any other function directed by the Board of Directors.

Section 5.4 Resignation; Removal. Any officer may resign at any time by giving written notice to the Chairperson of the Board and such resignation shall be effective on the date specified in such notice. The Chairperson may resign at any time by giving written notice to the President of the Corporation with a copy to all members of the Board of Directors and such resignation shall be effective on the date specified in such notice. The Board of Directors, by a majority vote, may remove any officer at any time with cause, as defined in Appendix A of these Bylaws, or without cause, at any special meeting duly called for that purpose or at its regular meeting immediately following the annual meeting of the shareholder.

Section 5.5 Vacancy. Any vacancy in any officer position shall be filled for the unexpired portion of the term by the Board of Directors without undue delay at its next regular meeting or at a meeting specially called for that purpose.

Article VI - Officers of the Corporation

Section 6.1 Officers of the Corporation. Officers of the Corporation shall include a President, Vice President(s), and Secretary/Treasurer ("corporate officers").

Section 6.2 Duties and Responsibilities. The duties and responsibilities of the corporate officers shall be as follows:

a. President. Until further action by the Board, the President shall also serve as the Chief Executive Officer ("CEO") of the Corporation, and shall, subject to the oversight of the Board of Directors, have general supervision, direction and control of the business and employees of the Corporation. The President shall:

- i. attend all meetings of the Board of Directors and shareholder representatives;
- ii. present a report of the condition of the business of the Corporation at each annual meeting of the shareholder representatives and Board of Directors;
- iii. cause to be called meetings of the shareholder representatives in accordance with Article II, Sections 2.3 to 2.5 of these Bylaws, and of the Directors in accordance with Article III, Sections 3.4 to 3.7 of these Bylaws;
- iv. have authority to expend, contract and purchase goods and services that are included in the annual budget approved by the Board. The President may delegate such authority to subordinate officers and employees as he deems proper in his sole discretion. The President together with the Vice President of Finance and in consultation with the Chairperson of the Board shall have authority to expend up to Five Hundred Thousand Dollars (\$500,000.00) for unbudgeted expenditures. The President, Vice President of Finance and other corporate officers must be bondable and the Corporation shall secure and maintain such surety and/or other bond in such amount or amounts as the Secretary/Treasurer of the Corporation or the Board of Directors deems appropriate;
- v. see that the books, reports, statements and certificates required by the statutes are properly kept, made and filed according to law;
- vi. sign all notes, drafts or bills of exchange, warrants or other orders for the payment of money duly drawn by the Secretary/Treasurer; and
- vii. enforce these Bylaws and perform all the duties incident to the position and office, and those which are required by law.

b. Vice President(s). During the absence or inability of the President of the Corporation to render and perform such duties as stated hereinabove or as otherwise specified by the Board of Directors, the Vice President of the Corporation, if one has been elected by the Board of Directors, or the most senior of the Vice Presidents, if there are more than one, shall assume such duties of the President, unless prohibited from doing so by the Corporation's

Charter, the Corporation's Bylaws, or applicable law. The Board of Directors may, in its discretion it deems it advisable, elect other Vice Presidents along functional lines, including without limitation any or all of the following: Executive Vice President, Vice President of Finance, Vice President of Exploration and Production, Vice President of Retail/Wholesale Operations, etc.

- c. Secretary/Treasurer. The Secretary/Treasurer shall:
- i. keep or cause to be kept the minutes of meetings of the Board of Directors and of the shareholder representatives in appropriate books;
 - ii. give and serve all notice of the Corporation;
 - iii. be custodian of the records and of the seal, and affix the latter when required;
 - iv. keep the stock book in the manner prescribed by law, so as to show at all times the amount of capital stock, the manner and the time the same was paid in, the number of shares outstanding and the amount paid thereon; and keep such stock book open daily during business hours at the office of the Corporation, subject to the inspection of the sole shareholder of the Corporation, the Board of Directors, the Audit Committee, or any member thereof, and permit such shareholder to make extracts from said book to the extent and as prescribed by law;
 - v. sign all certificates of stock;
 - vi. present to the Board of Directors at their meetings all appropriate communications addressed to the Secretary/Treasurer officially by the President or any officer or the sole shareholder of the Corporation;
 - vii. have the care and custody of and be responsible for all the funds and securities of the Corporation, and deposit any such funds in the name of the Corporation in such bank or banks, trust company or trust companies or safe deposit vaults as the Board of Directors may designate. Thus, the Secretary/Treasurer must be bondable, and the Corporation shall secure and maintain such surety or other bond in such amount or amounts as the President of the Corporation or the Board of Directors deems appropriate;
 - viii. sign, make and endorse in the name of the Corporation all checks, drafts, warrants and orders for the payment of money and pay out

and dispose of same and receipt therefor, under the direction of the President or the Board of Directors;

- ix. exhibit at all reasonable times the books of account to any Director or the sole shareholder of the Corporation upon application at the office of the Corporation during business hours;
- x. render a statement of the condition of the finances of the Corporation at each regular meeting of the Board of Directors, and at such other times as shall be required, and a full financial report, at the annual meeting of the sole shareholder;
- xi. keep at the office of the Corporation correct books of account of all its business and transactions and such other books of account as the Board of Directors may require; and
- xii. attend to all correspondence and perform all duties incident to the office of Secretary/Treasurer.

Section 6.3 Other Duties. All officers of the Corporation shall faithfully perform any other function directed by the Board of Directors.

Section 6.4 Resignation; Removal.

a. Any officer may resign at any time by giving written notice to the President of the Corporation and such resignation shall be effective on the date specified in such notice. Subject to any applicable contract provisions, the President of the Corporation may resign at any time by giving written notice to the Chairperson of the Board, and such resignation shall be effective on the date specified in the notice.

b. The Board of Directors, by a majority vote, may remove any corporate officer at any time with cause at any special meeting duly called for that purpose or at its regular meeting immediately following the annual meeting of the shareholder. For purposes of removal of any officer, "cause" shall include any violation of any fiduciary duty owed by an officer to the Corporation, any actual or apparent conflict of interest, sexual harassment (as defined in the Corporation's personnel policies) of, or misconduct involving any employee or officer or Director of the Corporation, carrying on a close personal or sexual relationship with, any employee or officer or Director of the Corporation not a spouse of such officer, conviction of any crime involving moral turpitude or fraud, breach of confidentiality of Board discussions, including but not limited to those conducted in executive session, disclosure of any privileged communication, abuse or violation of the Corporation's Charter, Bylaws or policies and procedures, violation of any employment or other contract between the Corporation and such officer, or other serious or persistent misconduct. Absent exigent circumstances as determined by the Board, the officer shall be informed in writing of the specific grounds for removal and shall be given a reasonable opportunity to respond in person or through counsel before a decision to remove is made.

Section 6.5 Vacancy. Any vacancy in the office of the President shall be filled by the Board of Directors without undue delay at its regular meeting or at a meeting specially called for that purpose. Vacancies in other corporate officer's positions shall be filled by the President of the Corporation.

Article VII - Financial Affairs

Section 7.1 Fiscal Year. The Board of Directors may, upon recommendation of the President of the Corporation and in its discretion, change the Corporation's fiscal year in the best interest of the Corporation.

Section 7.2 Loans. No loans shall be contracted on behalf of the Corporation and no evidences of indebtedness shall be issued in its name unless authorized by resolution of the Board of Directors. Such authority may be general or confined to specific instances.

Section 7.3 Checks, Drafts, Etc. All checks, drafts, or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Corporation shall be signed by persons designated and authorized by resolution of the Board of Directors. The amounts, terms and the identities of the authorized signors shall be updated annually or as necessary by resolution of the Board of Directors.

Section 7.4 Deposits. All funds of the Corporation not otherwise employed shall be deposited from time to time to the credit of the Corporation in such banks, trust companies, or other depositories as the Board of Directors may select.

Section 7.5 Dividends. The Board of Directors may declare dividends from the net profits of the Corporation for the preceding fiscal year, whenever in its opinion, the condition of the Corporation's affairs will render it expedient for such dividends to be declared and paid to the Navajo Nation; provided that no dividend may be made if:

- a. Payment of such dividend would, in the judgment of the Corporation, cause a risk that the Corporation would become out of compliance with any loan covenant or other contractual obligation, or would risk the loss or diminution of value of a substantial Corporate opportunity; or
- b. The Corporation would not be able to pay its debts as they become due in the usual course of its business; or
- c. The Corporation's total assets would be less than the sum of its total liabilities; or
- d. The Corporation is insolvent or would become insolvent upon payment of such dividend; or
- e. The Corporation's net assets would be reduced below its stated capital.

Article VIII - Seal

Section 8.1 The Board of Directors has adopted the following seal for the Corporation:

Navajo Nation Oil and Gas Company
[Reserved]

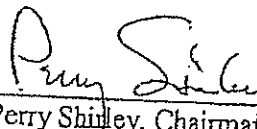
Section 8.2 The Board of Directors may change the Corporation's seal consistent with Article XVIII of its Charter, by majority vote at any special meeting duly called for that purpose.

Article IX - Amendments to Bylaws


Section 9.1 The Board of Directors may amend the Corporation's Bylaws in any manner not inconsistent with the Corporation's Charter or applicable law. The Corporation's Bylaws may be amended by an affirmative vote of the Board of Directors at any regular meeting or at a special meeting called for that purpose, provided that notice by reliable and verifiable means such as facsimile, telephone, e-mail, or other electronic communication or by written notice to the Board member's last known post office address, shall have been sent to each member of the Board in accordance with Section 3.7 of these Bylaws before the date of such annual or special meeting which notice shall summarize the amendments which are proposed to be made in such Bylaws. Only such changes as have been summarized in the notice shall be made. If, however, all Board members shall be present at any regular or special meeting, these Bylaws may be amended by a unanimous vote, without any previous notice.

CERTIFICATION

The foregoing Amended Bylaws of the Corporation were adopted by the Board of Directors of the Corporation on January 27, 2013, at a duly called meeting in Window Rock, AZ at which a quorum was present, by a vote of 6 in favor, 3 opposed and 0 abstained.


Perry Shirley, Chairman
Board of Directors

Attest:


Secretary

APPENDIX A

Standards and Procedures for the Removal of Members of the Board of Directors

- I. Overview.
 - A. All members of the Board of Directors ("Board") of the Corporation are required and expected to comply with the Corporation's Charter, Bylaws and all applicable policies and procedures at all times.
 - B. The Board is ultimately responsible for the overall governance of the Corporation. Good governance can on occasion be undermined by an individual director or directors. Removal is unlikely to be a first response, unless an action by a director is deemed to be so serious as to undermine confidence in the Board or be so detrimental to the best interest of the Corporation. Thus, removal is an essential sanction for misbehavior by a director.
 - C. This Appendix A to the Bylaws outlines the standards and procedures governing the removal of a director from the Board.
- II. Summary of the Charter and Bylaws Applicable to Removal.
 - A. Charter – Article XI(M): Board members may be removed with cause by shareholder representatives.
 - B. Bylaws – Section 3.12: Board members may be removed for cause by shareholder representatives.
- III. Cause for removal of a director shall include the following:
 - A. Violation of the Corporation's Charter, Bylaws, rules and regulations or policies and procedures.
 - B. Violation of or refusal to sign the Oath of Office and Confidentiality Agreement.
 - C. Conviction of any crime, including but not limited to those involving moral turpitude or fraud.
 - D. Civil or criminal malfeasance.
 - E. Violation of any fiduciary duty identified in Appendix B to the Bylaws.
 - F. Breach of confidential corporate information or Board decision or discussion.
 - G. Breach of the principles of the Navajo Nation Ethics in Government Act.
 - H. Any actual or apparent conflict of interest.
 - I. Theft or misuse of corporate funds.
 - J. Abuse of power.
 - K. Obstructive, destructive, demoralizing or unethical behavior.
 - L. Frequently disrupting Board meetings or causing discord among the directors.
 - M. Knowingly providing false information about the Corporation to any person.

- N. Physically harming or threatening to harm any employee, officer or director of the Corporation.
 - O. Sexual or other harassment of any employee, officer or director of the Corporation.
 - P. Misconduct, including carrying on a close personal or sexual relationship, with any non-spousal employee, officer or director of the Corporation.
 - Q. Any other serious or persistent misconduct.
 - R. Negligence of Board duties and responsibilities, including failure to attend three (3) consecutive meetings without reasonable cause in the discretion of the Chairperson of the Board.
 - S. Illegal or other activity reflecting negatively on the Corporation, including without limitation use, possession, sale, distribution or abuse of illegal drugs and alcohol.
- IV. On or after the date of adoption of this Appendix A, a member of the Board may be removed pursuant to the following procedures.
- A. Any director or Executive Officer of the Corporation (the "Complainant") may file a signed, written complaint (the "Complaint") against a Board member (the "Accused Director") alleging specific facts constituting grounds for removal from the Board. The Complaint shall be filed with Chairperson, or if the Chairperson is the Accused Director, to the Vice Chairperson, of the Board.
 - B. Promptly upon receipt of the Complaint, the Chairperson shall refer the Complaint to the full Board and send notice to the Accused Director of the allegations made in the Complaint.
 - C. At its next regular meeting or at a special meeting called for this purpose, the full Board, excluding the Accused Director, shall consider the Complaint and determine whether it alleges facts, which if true, may constitute grounds for removal. If so, the matter should be referred to a neutral, respected and independent person or entity for any investigation of the factual allegations of the Complaint that the Board deems worth of further investigation. If the factual allegations of the Complaint are uncontroverted or conceded, such independent investigation shall not be required.
 - D. If an independent investigation is deemed advisable, the Board shall engage, or direct management to engage, the services of an investigator, who shall investigate any disputed factual allegations of the Complaint and relevant surrounding circumstances and who shall make findings, conclusions and recommendations in a written report (the "Report"). Such Report shall be presented to the Chairperson, or, if the Chairperson is the Accused Director, to the Vice Chairperson, of the Board.
 - E. Promptly upon receipt of the Report, the Chairperson (or Vice Chairperson, as appropriate) shall serve on all Directors, including the Accused Director, notice of

a meeting (the "Meeting") of the Board of Directors at which the Complaint and Report shall be considered and at which the full Board, excepting the Accused Director, shall make a decision regarding removal of the Accused Director.

- F. At the Meeting, all Directors, including the Accused Director, shall be provided with the Complaint and Report, if any, and shall be afforded ample opportunity to read the same prior to substantive discussion of the Complaint and Report, if any. The full Board, excepting the Accused Director, shall conduct such preliminary discussions as it deems appropriate, establish procedures for conducting the Meeting to ensure appropriate communications with and input from the Accused Director, and conduct the remainder of the Meeting in substantial conformity with such procedures. In no event will the Meeting be conducted in a trial-type manner, and the Accused Director shall not be entitled to representation or the attendance of legal counsel. The Board shall excuse from the Meeting the Accused Director after hearing from the Accused Director and other persons prior to the Board's deliberations and decision on the Complaint and Report.
- G. At the Meeting, the Board may request additional information or documents from the Accused Director, any investigator, Complainant, or other person prior to making a decision, and may adjourn or continue the Meeting for such purpose on majority vote of the Board.
- H. The Accused Director shall not participate as a member the Board or participate in the Board's deliberations or vote related to the Complaint, except to the extent the Board deems it appropriate to permit the Accused Director to respond to the allegations.
- I. If the Board decides that the Accused Director should be removed, the Board by an affirmative majority vote of those directors present, will take the following action against the Accused Director:
 - 1. Suspension.
 - 2. Notice to the Accused Director of such suspension.
 - 3. During suspension, the Accused Director will:
 - a. Be removed from all committees of the Board.
 - b. Not be permitted to attend any Board or committee meetings.
 - c. Not be permitted to collect any stipend or other compensation or expenses from the Corporation.
 - d. Not represent himself or herself as a member of the Board.
 - e. Not participate in any activity sponsored by the Corporation.
 - f. Refrain from discussing his or her disciplinary matter, except through appropriate channels permitted under the Corporation's Charter, Bylaws or these procedures.

- J. Shortly after the Meeting, the Chairperson of the Board will submit a formal request on behalf of the Board to the shareholder representatives to remove the Accused Director from the Board.
- K. The shareholder representatives shall be requested to convene a special meeting for the sole purpose of considering the removal of the Accused Director from the Board, giving due deference to the findings of the independent investigation and any further findings of the Board itself.
- L. The adoption of these procedures shall not affect the validity of any Board action or investigation regarding alleged misconduct of a Board member taken or completed prior to the adoptions of these procedures.

APPENDIX B

Board Responsibilities and Standards of Conduct

- I. Directors have both collegial responsibilities and individual responsibilities. These are summarized below:
 - A. Boardroom responsibilities.

To “direct” implies bringing experience and relationships to the Corporation to promote its best interest. It implies becoming informed, participating, asking questions and applying considered business judgment to matters coming before the Board as a whole.

Primary consideration should be given to economic considerations. However, Directors must appreciate public expectations, and take into consideration law, public policy and ethics. Directors may consider the effect of their actions on other constituencies, but law does not require it; the law only requires attention to the interests of the Corporation.
 - B. Individual responsibilities.

Each director must individually become familiar with the Corporation’s business and competitive environment to be effective. This includes the Corporation’s principal operational, financial and other plans, strategies and objectives; the results of operations and the financial condition of the corporation; and its competitive standing in the industry. Directors must be able to make individual evaluations of management performance and to join with other Directors to formulate challenges and rewards for management.

Thus, the Corporation must ensure systems for the timely dissemination of information to the Board, such as current objectives and plans; financial statements, with appropriate breakdowns; systems of controls; material litigation; and regulatory matters. Directors should review minutes and reports of committees in advance of Board meetings.
- II. The baseline standard of the performance of a director’s duties requires that the director act in good faith and in the manner the director reasonably believes to be in the best interest of the Corporation. “Good faith” implies honesty, fair dealing and no personal benefit. A director’s “reasonable belief” is an objective test, based on a rational analysis of the situation after consideration of sufficient and reliable information.
- III. The Directors act as fiduciaries of the Corporation, and are subject to traditional fiduciary standards of conduct, primarily the duties of care, loyalty and candor. The duty of care requires a time commitment and regular attendance at duly called meetings. It also requires that the director inform himself or herself of the facts so that decisions are made

prudently. The director has a right to rely on others, where a reasonable person would do so, but must make inquiries if conditions suggest a need for further information. The duty of loyalty requires that a director not involve himself or herself in an apparent or real conflict of interest or appearance of impropriety. The director must make business opportunities initially available to the Corporation. Documentation of disclosures of potential conflicts should be preserved in minutes and otherwise, and independent advice should be obtained in appropriate instances. Finally, the duty of candor requires that all relevant information be fairly presented to the shareholder, and that the Board never mislead or misinform the shareholder.

The business judgment rule protects Directors from liability if a decision turns out bad, where the director acted on an informed basis, in good faith and in the honest belief that the decision was in the Corporation's best interest. Directors must always comply with applicable law, which, in the Navajo Nation, includes standards imposed under Navajo custom and tradition. If a director has a strongly held view that a Board decision is not in conformity with all applicable laws and/or standards or that the disclosures to the shareholder are misleading or false, such director must first encourage correction action, register a formal dissent for preservation in the Corporation's records if no corrective action is taken, and consider resigning in appropriate instances.

- IV. Each director, by accepting his or her position as a member of the Board of Directors, affirms his or her understanding that he or she sits as such in a fiduciary capacity in relation to the Corporation, and agrees to confirm his or her conduct to the most exacting fiduciary standards, including without limitation the duties to act in the best interest of the Corporation, to refrain from self-dealing, to act in the best interest of the Corporation, and to maintain the confidentiality of the Corporation's data, plans, strategies, personnel matters, financial status and reports, and similar confidential or proprietary matters, subject to the requirements of applicable Navajo and federal law. Violations of these standards shall constitute grounds for civil, or, in some instances, criminal actions in the courts of the Navajo Nation or the United States of America.

Exhibit 3

Exhibit 3

**DECLARATION OF NAVAJO NATION OIL AND GAS COMPANY PRESIDENT AND
CEO ROBERT JOE**

Robert Joe, being first duly sworn, upon my oath state as follows: I have personal knowledge of the information contained in this Declaration and if called as a witness, I would testify competently.

1. I was hired as President and CEO for Navajo Nation Oil and Gas Company (“NNOGC” or “Corporation” or “Company”) on June 18, 2013 and have served in that capacity from the date of my hire to the present date.
2. As is explained in the pleadings to which this Declaration is attached, and this Declaration itself, I am no longer acting as CEO for NNOGC as I understand that a recent Navajo Nation Supreme Court decision states that I have been removed by Defendants.
3. I am a Navajo Dine’ fluent in the Navajo language with a fundamental background and understanding of our Dine’ culture and traditions.
4. My technical and professional background is working for global industry technology leaders for over 22 years. I spent my last 11 years as a Site Executive for Raytheon Company, a Fortune 100 Company. I have a proven record of strategically growing the value of companies.
5. I have a clear understanding of corporate ethics and a proven history of working ethically to protect the companies I have served. As my sibling brother Patterson Joe, a licensed attorney, would say “if it’s not ethical and legal, it’s not worth doing at all.”
6. As President and CEO of NNOGC, I am responsible for the general supervision, direction and control of the business and employees of the Corporation, guiding the

Company in investment opportunities, safeguarding the Company from sabotage, and upholding the public trust the Dine' people placed in us to maximize the resources of the Navajo Nation.

7. The Corporation's Secretary and Interim Vice President/Acting CFO is Reuben Mike.
8. The Corporation's current board is composed of the following members nominated by President Ben Shelly and confirmed by the Navajo Nation Council's Naabik' íyátí Committee – Perry Shirley (Navajo), Frances Totsoni (Navajo), Carlos V. Duno, and Eddie Sandoval (Navajo).
9. The Company's Federal Corporate Charter was approved by the Assistant Secretary of Interior on December 23, 1997; the Navajo Nation Council ratified the Federal Corporate Charter by a vote of 62 in favor, 0 opposed, and 0 abstained, and the Charter was signed by Navajo Nation Council Speaker Kelsey A. Begaye on February 5, 1998.
10. When I joined the Company in June 2013, the Company was facing several difficulties:
 - (a) it was "highly leveraged" per independent auditing firm Hein & Associates LLP
 - (b) it had total Exploration and Production ("E&P") losses in excess of \$50 million through its Denver team as reported by a third-party independent CPA auditing firm;
 - (c) its quarterly required financial reporting to the lending consortium was grossly misrepresented up to \$30.8 million in lease operating expense reporting and grossly misstated revenue, as validated by a firm that specializes in E&P accounting from Houston, Texas;

- (d) it had incurred numerous fines and penalties for non-reporting of required production and revenue reporting to the Navajo Nation, State, and Federal Regulatory agencies dating back to 2012;
 - (e) its Land and Lease records were mismanaged;
 - (f) it had gross financial mismanagement and no accountability of the former Denver E&P office as reported by independent Certified CPA fraud examiner Newberry & Associates; and
 - (g) former management level employees Louis Denetsosie and David Rubenking had increased their salary by as much as \$100,000 annually in less than one year and increased the average salary of the Denver E&P staff by \$30,000 per year.
11. In short, when I joined the Company in June 2013, the Corporation was in serious trouble resulting from the previous leadership of Wilson Groen and Louis Denetsosie, with the legal guidance and assistance of the Frye Law Firm, P.C. ("Frye Law Firm"). This gross and negligent mismanagement of the Navajo Nation's assets is not in the best interest of the public trust.
12. The Company's former financial management team of David Rubenking as CFO, the Controller, Deputy Controller, and E&P Accounting Manager was unwilling to accept that the Company had been mismanaged and was in financial disarray.
13. As is evident in the financial audit, fraud review, and financial results of the Company's operations, the former CEO (Wilson Groen), Interim CEO (Louis Denetsosie), and their leadership and financial management team simply did not have the relevant skills to identify that financial problems existed, let alone the skills to address the mounting financial crisis facing NNOGC in June 2013.

14. All of these former employees that provided the leadership and financial management services to the Company voluntarily resigned from the Company when the mismanagement and disarray began to be uncovered during my leadership.
15. On December 21, 2013, all NNOGC Shareholder Representatives that had been selected by each of the standing committees of the Navajo Nation Council met in a special meeting that was properly called where a majority voted to terminate two NNOGC board members – Diandra Benally and Jennifer Hatathlie.
16. On that same date, the NNOGC Shareholder Representatives suspended three other board members from board service – Nelson Toledo, Lennard Eltsosie, and Mae-Gilene Begay.
17. The former and suspended board members had previously requested a Special Board Meeting, which I had scheduled for December 30, 2013.
18. Because the parties requesting the meeting were terminated and suspended before the meeting occurred, and the remaining board members had not supported the request for Special Board Meeting, I officially canceled the December 30, 2013 Special Board Meeting on December 25, 2013.
19. Although the meeting was officially canceled, the former board members conducted a meeting in direct violation of the corporate by-laws Section 3.6. Per the by-laws of the Company, only the Board Chairman or President of the Corporation may call a Special Board Meeting.
20. Despite the decisions of the Shareholder Representatives, the suspended and terminated board members continued to purport to act on behalf of NNOGC by holding what they called NNOGC board meetings, passing asserted NNOGC resolutions, and replicating

the NNOGC logo for correspondence to the Navajo Nation Council and others – all done in direct violation of the Corporation's Charter and by-laws.

21. As President and CEO of NNOGC, I terminated the Frye Law Firm's legal services agreement on January 13, 2014.
22. Frye Law Firm was terminated, in part, for working on its own behalf and on behalf of third parties to facilitate inflicting harm on a Navajo Nation asset, NNOGC, with the intent to cause embarrassment to my management of the Company.
23. Louis Denetsosie, just prior to resigning his Interim CEO position, had modified the Frye Law Firm legal agreement by increasing the value of the agreement by 30% from \$250 per hour to \$325 per hour. Despite the numerous financial issues facing the Company, Louis Denetsosie's single recommendation in his resignation letter was to continue retaining the Frye Law Firm as legal counsel.
24. To protect the Corporation from unauthorized acts of the terminated and suspended board members, the board unanimously authorized and directed that Johnson, Barnhouse & Keegan LLP, a law firm that specializes in Indian law and personnel and employment matters, institute a legal action in Navajo Nation District Court to obtain a temporary and permanent injunction to prohibit the suspended and terminated board members from continuing to hold themselves out as NNOGC board members and continuing to purport to act on behalf of NNOGC. The former and terminated board members intentionally created confusion for the Company and its management by representing to Navajo Nation governmental units, lenders, vendors, employees, and customers that they were the only board authorized to represent the Company and that its decisions were the decisions of the Company.

25. The Navajo Nation District Court in Window Rock District granted a temporary restraining order in favor of NNOGC and against the suspended and terminated board members (“Defendants”) on January 17, 2014 and immediately scheduled a hearing on January 31, 2014.
26. Ignoring the specific January 17, 2014 order of the Navajo Nation court, the Defendants continued to hold themselves out as NNOGC board members and to take actions purportedly on behalf of NNOGC, including a “board meeting” on January 21, 2014.
27. Stella Scott of the Frye Law Firm coordinated with the former Company Exploration & Production Accounting Manager and David Rubenking, CFO, while these individuals were still employees of NNOGC to time their actions so that they would cause the most financial damage possible to NNOGC, a valuable Navajo Nation asset.
28. Through the combined efforts of Louis Denetsosie, the Frye Law Firm, existing employees and former employees of the Company, and the removed and suspended board members, plans were conceived and executed to create doubt or to cause financial institutions that were providing credit to the Company, to cease recognizing my authority, and Reuben Mike’s, to pay the financial obligations of the Company, including payroll obligations to employees, for the purpose of convincing the financial institutions, Navajo Nation officials, the Navajo Nation Department of Justice, the Navajo Nation Council and its committees, and others that its new President and CEO Robert Joe was incompetent so as to cause the Company to decline in value.
29. The combined efforts of Louis Denetsosie, the Frye Law Firm, existing employees and former employees of the Company, and the removed and suspended board members, were intended to cause the board of directors to remove Robert Joe as President and

CEO so that they could take control of the Company. Once obtaining control, this group intended to place Louis Denetsosie as president and CEO, restore the Frye Law Firm as its counsel, and rehire those former employees who were in place when the Company was significantly declining in value.

30. Frye Law Firm, Louis Denetsosie, the removed and suspended board members, and former and current employees cooperated during January 2014 to cause NNOGC to bounce checks to employees and others and to cause other missed major payment obligations so that the former and suspended board members as the surrogates of the others could present a very negative report about the financial and management condition of the Company to the Navajo Nation District Court hearing the TRO. Their intent was to show cause for the court to appoint David Rubenking (a former employee) as CEO, appoint Louis Denetsosie as president and CEO, restore the Frye Law Firm as counsel, and rehire other former employees.
31. Working day and night, my management team was able to resolve the financial chaos created by the combined efforts of Louis Denetsosie, the Frye Firm, former employees, current employees, removed and suspended board members, and others.
32. During the period from December 21, 2013 through February 7, 2014, the former board members cooperated with others to intentionally create chaos for the Company for their own benefit and to the detriment of the Navajo Nation and its enrolled members by the acts noted below.
33. NNOGC was informed that its bank had been provided a copy of a “resolution” “passed” by the suspended and removed board members while purporting to act as an NNOGC board allegedly terminating my employment as President and CEO. As a

result, the bank had informed the Corporation that some of its payroll checks would not be honored unless they were reissued and signed by another representative of NNOGC. These actions directly impacted the families and lives of all the NNOGC employees and the Company supplier base in significant negative ways.

34. During this same period, the Frye Law Firm, Louis Denetsosie, the suspended, terminated, and replaced board members along with Navajo Nation Council Delegate Leonard Tsosie, called, approached, and encouraged existing employees to resign from the Company, and in fact, numerous employees resigned.
35. At the request of Navajo Nation Speaker Johnny Naize and the majority of the NNOGC Shareholder Representatives, I followed the Corporate Charter and called a Special Shareholder Representatives meeting on March 7, 2014. All former board members, Navajo Nation President, Navajo Nation Council Speaker, and Navajo Nation Department of Justice were invited to attend in the spirit of K'é (a fundamental Navajo concept loosely translated as 'talking things out to reach a resolution and compromise').
36. In the spirit of K'é, the Shareholder Representatives provided a reconsideration opportunity on March 7, 2014, to all terminated and suspended board members, to reconsider the actions of the removed and suspended members since December 21, 2013, with a court reporter present, and allowed each former member to bring their legal counsel.
37. Legal counsel for the terminated and suspended board members was contacted and given verbal and written notice of this meeting. Not one of the removed and suspended members attended the meeting.

38. The notice of the special meeting of Shareholder Representatives identified 45 issues that the Shareholders wished to discuss with the suspended and removed board members. Although I was not present at the March 7, 2014 Shareholder meeting, I was informed that none of the suspended or removed board members or their counsel appeared. I was also informed that a majority of the Shareholder Representatives reaffirmed the removal of Diandra Benally and Jennifer Hatathlie, and then removed Lennard Eltsosie, reaffirmed the suspension of Mae- Gilene Begay, and took no action on Nelson Toldeo since he was officially replaced by Presidential appointee Carlos Duno when the Navajo Nation Council's Naabik'íyátí Committee confirmed Duno in January 2014. **Exhibit A, attached hereto.**
39. On May 5, 2014, the Frye Law Firm submitted an invoice to NNOGC for \$248,329.46 (representing billing from January 2014 to April 2014) and stating in the invoice that it was being submitted "Pursuant to the Agreement reached on January 31, 2014 in the matter of *Navajo Nation Oil and Gas Co. v. Begay*." The invoice did not meet NNOGC's standards for law firm itemization of the work performed.
40. As a result of the May 1, 2014 Navajo Nation Supreme Court decision and with respect for the Navajo Nation Supreme Court's recommendation and encouragement that the parties to the litigation get together and talk things out as trustees of the public trust, I issued notice of a special meeting inviting the terminated and suspended directors to talk things out.
41. In total disregard of the Navajo Nation Supreme Court's recommendation, on May 2, 2014, the removed and replaced board members appeared at NNOGC's offices with their attorney from the Fyre Firm and with two Navajo Nation police officers.

Defendants Lennard Eltsosie and Nelson Toledo, respectively removed and replaced board members, presented letters to Mr. Mike that purportedly removed me as CEO, purportedly placed VP/Interim CFO Reuben Mike on administrative leave, and claimed to have other letters placing additional employees on administrative leave.

42. The Navajo Nation Council, on April 22, 2014, by a nearly unanimous vote of 16 in favor and two opposed, passed amendments to the Federal Corporate Charter which clarified issues with regard to the number of shareholder representatives, reduced the number of directors on NNOGC's board, and appropriately increased minimum qualifications for service on NNOGC board, as well as other less significant changes.
43. It is my information and belief that on May 6, 2014, the Navajo Nation Council submitted the amended Charter to the BIA regional director as the Secretary of the Interior's representative to review the amendments.
44. The former suspended, terminated, and replaced board members continue to fraudulently hold themselves out as having authority to act on behalf of the Corporation; they, along with Paul Frye and the Frye Law Firm, have severely endangered the economic stability and welfare of the Corporation. The ultimate cost of the damage the Frye Law Firm and these board members inflicted on NNOGC could exceed \$50 million dollars, which is not in the best interest of the sole shareholder, the Navajo Nation, nor the public trust.
45. As disclosed in the Company's official 4th Quarter Financial release from June 10, 2014, the Company has performed very well, generating the highest gross revenue in the history of the Company to \$156.3 million, increasing Operating Revenue by 37% from \$39.3 million to \$53.8 million in the current fiscal year, increasing Net Income by

44% up from prior year \$33.7 million to \$48.7 million, reducing debt by 12%, and stopping the operational financial losses caused by the former Denver E&P office.

46. Given the dismal financial state, regulatory and compliance deficiencies and management oversight I discovered that NNOGC was facing when I joined the Company in June 2013 as CEO, I have no doubt that if the Defendants (who were among those responsible for the gross negligence and financial trouble I have previously outlined) are not prevented from asserting control over NNOGC and its day-to-day management that irreparable harm will result to NNOGC as follows:

47. Further Reduction and/or Complete Loss of Credit Availability and Loan Default:

There is a substantial likelihood that NNOGC will suffer a complete loss of Credit Agreement with its current Lender base. On May 15, 2014, NNOGC's Lenders' Administrative Agent delivered a letter to NNOGC threatening to exercise its remedies under their Credit Agreement with NNOGC unless NNOGC could provide reasonable assurances and certainty as to who was in control of NNOGC and authorized to make decisions and take action on behalf of NNOGC after discovering the ongoing litigation and control disputes caused by the Defendants in the Navajo Nation District Court.

Exhibit B, attached hereto. In response to this letter, NNOGC and the Speaker Pro Tem of the Navajo Nation attempted to provide reasonable assurances that the shareholders representatives were responsible for selecting the Board of Directors, who in turn provided Reuben Mike and me with authority to make decisions and take action on behalf of NNOGC. **Exhibit C, attached hereto.** Nonetheless, on June 9, 2014, the Administrative Agent informed NNOGC that four members of NNOGC's lending group would not approve the existent borrowing base of \$170,000,000 (it is now

reduced to \$110,000,000) for NNOGC and that, therefore, there was a deficiency in the amount of \$42,750,000 that NNOGC was required to remedy within ten days. **Exhibit D, attached hereto.** While NNOGC has elected to pay down the amounts over a period of six months and it has ample resources to pay these funds when and as due, the result of the Defendants' renewed attempts to claim that Reuben Mike and I are no longer in charge of NNOGC is likely to cause further doubt with the lending group. Based on my experience with NNOGC's lenders, it is likely that if temporary uncertainty resulted in a \$60,000,000 reduction in NNOGC's borrowing base, the remainder of the lending group could lose all confidence, pull the entire loan amount, and result in a total default by NNOGC. If the NNOGC's borrowing base is further reduced and/or canceled, NNOGC will effectively be unable to operate.

48. Complete Reversal of All Positive Gains Since New Management Took Over NNOGC in June 2013.

(a) As previously detailed, when I took over as CEO in June 2013, NNOGC was grossly mismanaged and experiencing severe financial troubles and regulatory compliance issues. While significant progress has been made in turning the Company around with respect to financial stability and regulatory compliance, among other things, it is my belief that Defendants will stall the positive changes to the Company's management, if not completely reverse the changes. I understand, upon information and belief, that Defendants intend to reinstate the same people who had resigned once I uncovered the numerous financial and regulatory issues facing NNOGC. If Defendants reassert control and reinstate previous management and employees responsible for NNOGC's prior troubles,

they will unravel all that has occurred in the interim to bring NNOGC back into financial stability and compliance.

49. NNOGC Will Suffer a Loss of Very Talented and Influential Professionals That Have Been Recruited Over the Last Year.

(a) When I took over as CEO of NNOGC in June 2013, I made a top priority the aggressive recruitment of top-of-the-line experienced professionals in the oil and gas industry as it was immediately clear to me that NNOGC's future prospects of growth and success were hampered by a lack of qualified individuals. Moreover, NNOGC did not have certain professional and/or positions which are common and critical to success and growth in the oil and gas industry. For example:

- i. I recruited Joseph Robertson – a licensed professional engineer – who has over twenty-five (25) years of experience in the pipeline profession. Prior to convincing Mr. Robertson to join my team at NNOGC, he was the Pipeline Operations Director for the Alyeska Pipeline System. This Pipeline is the primary pipeline from Alaska to the “Lower 48” States. Needless to say, his experience in Pipeline Operations is likely unparalleled and a valuable asset to NNOGC's continued operation of its oil and gas operations, as well NNOGC's expansion of those operations. Moreover, he also brings years of experience in regulatory compliance experience from his time working at the Pipeline Hazardous Materials Safety Administration.
- ii. I also recruited Tim Philips – a petroleum engineer. Mr. Philips was the head person in charge of creating and developing the drilling program for the three leading companies in the San Juan Basin. Together, those three leading

companies spend over \$400 million dollars annually in developing the San Juan Basin for oil and gas development. In short, his capability and competence in oil and gas drilling is unrivaled. As part of NNOGC's current team, he is an asset that cannot simply be replaced.

iii. I also recruited Shelly Wooten – a senior procurement specialist. She has over twenty (20) years of experience in the oil and gas industry – specifically, in the procurement business. Prior to joining NNOGC she worked for British Petroleum for ten years and for the Navajo Nation Tribal Utility for five years. Currently, one of her responsibilities is as the senior procurement regulatory and compliance specialist for NNOGC. Prior to her hire, NNOGC had never had a senior regulatory procurement specialist. It is almost unimaginable that an oil and gas company that is required to navigate the regulatory and compliance scheme of tribal, state, and federal governments would operate without a person in charge of procurement compliance. If she were to leave, NNOGC would lack anyone with experience in procurement regulatory compliance which would likely lead to return of NNOGC's failure to comply with various regulatory schemes. When I took over NNOGC, it was out of compliance in numerous areas and had incurred substantial penalties for non-compliance.

iv. I also recruited Derrith Watchman-Moore. Prior to joining NNOGC, she was the Navajo Nation EPA Director. She was a federal EPA Director working in the EPA's Washington D.C. offices. She has over twenty (20) years of professional background in environmental safety, regulation and

compliance. NNOGC has never had someone so qualified in EPA regulatory compliance operations.

- v. I also recruited Rueben Mike – B.S. in business administration, MBA in public accounting. Prior to joining NNOGC he held management positions in Hewlett-Packard, Raytheon and Boeing. From a business and financial management perspective, Mr. Mike is the most technically competent and proficient person I have ever worked with. Mr. Mike has been integral in repairing and mitigating the financial troubles that NNOGC had prior to my appointment as CEO. The prior financial managers were simply clueless to critical financial compliance issues. When I arrived, NNOGC was behind on over two years of Navajo Nation, state and federal agency requirements for mineral production and revenue reporting, which has caused the Company significant penalties. Mr. Mike has turned around many aspects of NNOGC's financial problems.
- (b) These referenced individuals are but a few examples of the exceptional talent that has come to NNOGC within the last year. These individuals joined NNOGC based, in part, upon their understanding and knowledge of NNOGC's current management and operations under my direction as CEO, and the vision and mission statement that I had outlined for NNOGC's future plans and growth.
- (c) It is likely that these top recruits, who have recently joined NNOGC due to my recruitment efforts and the current direction of NNOGC, will resign their positions to seek employment from companies that are independent from the political turmoil that has been created by Defendants' actions. They have already expressed

great dissatisfaction with the disruptions caused by the Defendants and are concerned about the future of NNOGC and its management if such activities continue to occur. Given their experience and qualifications, it is fairly certain that they will be able to find comparable employment in the oil and gas industry without having to worry about the political turmoil that has overwhelmed the day-to-day operations of NNOGC for the past several months.

50. Irreparable Harm to Employee Morale. In addition to key recruitments outlined above, there is also irreparable harm to NNOGC employee morale. There are a number of employees who are terrified of Defendants and reprisals from Defendants if they are allowed to act as if they are in control of NNOGC. Many of these employees have experienced mental anguish, fear, and confusion over the last six months due to the Defendants' continued attempts to wrest control of NNOGC. I have seen first-hand a drop in productivity and morale in the office, which is caused no doubt by constant concern about whether they will suddenly be placed on administrative leave or fired by the Defendants from one week to the next.
51. Lost Business Opportunities to Create Millions in Significant Revenue. For the past several months, NNOGC has been working with an outside company on a new shale development. NNOGC is currently negotiating the signing of initial documents with this company (including a confidentiality agreement) to develop a shale resource in which that company is already active. NNOGC stands to lose the potential business partner, along with the potential revenue from the partnership, due to the continued management disputes caused by Defendants' actions. Quite simply, if Defendants are not enjoined from purporting to have authority to fire acting CEO Mike Reuben,

NNGOC stands to lose significant profits. There is little doubt that this potential business partner company will walk away from negotiations with NNOGC when it discovers that the acting CEO with which it has been negotiating has been terminated, and that NNOGC is embroiled in a political battle for control of its Board of Directors.

52. Irreparable Harm to Navajo Nation and NNOGC's Reputation. As evidenced by NNOGC's Lender Group reducing its credit basis by \$60,000,000, NNOGC's reputation is being irreparably harmed. **Exhibit A, and Exhibit D, attached hereto.** The reduction in credit is but the start of a potential catastrophic decline in NNOGC's credibility with outside business partners and lenders. The oil and gas industry is not a solo business industry, it relies heavily on business relationships with multiple companies to develop, operate, and explore oil and gas opportunities. If Defendants are not stopped from interfering with NNOGC's day-to-day activities, which is causing concern among NNOGC's lenders and business partners, it is reasonably likely that NNOGC will begin to see a decline in those willing to contract, partner, and/or provide any services to NNOGC due to risk and the perceived fear that they cannot determine who has any decision-making authority within the Company.
53. Indeed, further evidence of this harm to NNOGC's reputation and ability to attract new business opportunities and experienced professionals has already occurred since the Defendants have again reasserted authority following the Navajo Nation Supreme Court's opinion issued on June 20, 2014. Eddie Sandoval was appointed to NNOGC's Board of Directors by the President of the Navajo Nation on January 23, 2014. Upon learning of the purported firing of NNOGC's Rueben Mike and the Defendants' claims of authority as NNOGC's actual board, he wrote an e-mail refusing to participate in

NNOGC's control until such time as the political infighting is resolved. **Exhibit E, attached hereto.**

54. Irreparable Harm to NNOGC's Capability to Grow and Expand Operations. The irreparable harm to NNGOC's current technical capabilities (through loss of credit, key employee recruitments, reputation, and business opportunities) will have a drastic impact on NNOGC's current and future prospects for growth. Quite simply, NNOGC is currently in an excellent position for explosive growth and expansion. However, all of that potential will be erased by the infighting and confusion that Defendants are causing internally and externally. If NNOGC suffers further credit reduction, loss to reputation, loss of opportunities, and key employee resignations, it will be irreparably harmed from its inability to capitalize on its current position, which is directly threatened by Defendants' actions.

55. Irreparable Harm Occurring Contemporaneously With the Drafting of My Declaration. NNOGC has operations in St. Michael's, Arizona and Farmington, New Mexico (which are not located within the Navajo Reservation – they are located on fee simple land and not within the sovereign territory of the Navajo Nation). The Farmington operations are responsible for maintaining and supporting the 87-mile pipeline operated by NNOGC, exploration and production development and support for oil and gas, and are critical to NNOGC's future expansion and growth because without these key and critical personnel, NNOGC would not be able to maintain its present business operations and sustain the potential growth of the business.

56. I was informed by several employees, at 3:30 p.m. on June 25, 2014, that Defendant Louise Denetsosise announced that he was closing down NNOGC's Farmington Operations in New Mexico.
57. I fear that if the Court does not return the parties to the status quo existing prior to the Navajo Nation Supreme Court's June 20, 2014 decision, NNOGC will not be able to restart its Farmington Operations. It is unlikely that these employees will be able to wait around for the dust to settle in this dispute.
58. If the shareholder representatives ultimately prevail on the merits, no amount of money will be able to compensate for the loss of technical competence and capability, the credibility of NNOGC, and potential business partner opportunities would be lost and never re-established. This is irreparable harm that negatively impacts NNOGC and the sole shareholder the Navajo Nation.
59. I declare under the penalty of perjury that the foregoing is true and correct.

Executed on this 26th day of June, 2014.

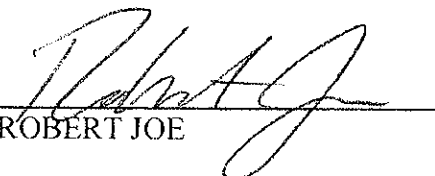
By: 
ROBERT JOE

Exhibit A.1

Exhibit A.1

**NOTICE OF SPECIAL MEETING
SHAREHOLDER REPRESENTATIVES
NAVAJO NATION OIL AND GAS COMPANY**

Pursuant to Article X(B) of the Federal Charter of Incorporation for the Navajo Nation Oil and Gas Company (NNOGC), I, Robert Joe, as the acknowledged President & CEO of NNOGC, and as requested by four of five of the Shareholder Representatives, do hereby call a special meeting of the Shareholder Representatives for March 7, 2014, at 10:00 A.M. at the conference room of NNOGC in St. Michaels, AZ. The purpose of the special meeting of the Shareholder Representatives is to review the actions of the Board of Directors (BOD) as a body and the actions of its purported members individually, from August 1, 2012 to the present time, to determine if there has been a violation of the oath of office, the Charter of Incorporation, the bylaws, as amended, and the duty to act in the best (business) interest of the Navajo Nation as a NNOGC board member. This special meeting is also intended to resolve any and all procedural and substantive issues that may be alleged to have arisen from the conduct of the December 21, 2013 meeting of the Shareholder Representatives. From such review, a determination shall be made as to whether there is cause or additional cause for immediate removal from the board. Such actions are being taken as a for-profit business separate from the government of the Navajo Nation

A list of the matters to be reviewed at the meeting is included herein. The members of the BOD as the board existed prior to December 21, 2013 was Perry Shirley, Diandra Benally, Lennard Eltsosie, Nelson Toledo, Frances Totsoni, Mae Gilene Begay, and Jennifer Hatathlie.

**MATTERS TO BE REVIEWED AND DECIDED ON
MARCH 7, 2014 AT THE SHAREHOLDER
REPRESENTATIVE MEETING**

1. Possession of the Charter of Incorporation of NNOGC
2. Possession of the NNOGC Bylaws, any amendments, and each board member's oath of office
3. Awareness of the letter from Ms. Hatathlie to the President of the Navajo Nation dated August 9, 2012
4. Awareness that President Shelly nominated Frances Totsoni for the board on October 28, 2013
5. Awareness of notice of special meeting of the board being sent to board members on November 15, 2013
6. Awareness of communication from Mae Gilene Begay to Council Delegate Curley requesting him to withdraw legislation pertaining to board membership
7. Awareness of legal opinion that Diandra Benally had no authority to call a special meeting of the board
8. Awareness of request from Nelson Toledo to Robert Joe to call special meeting of the board that also challenged the correctness of the legal opinion that Ms. Benally had no authority to call a special meeting
9. Awareness of request being made to Reuben Mike to call a special meeting of the board of directors

10. Awareness of email from Nelson Toledo to Rueben Mike on December 23, 2013 requesting board meeting to recall Perry Shirley as chairman and to elect a new chairman

11. Awareness of a letter signed by Diandra Benally, Nelson Toledo, Lennard Eltsosie, Jennifer Hatathlie and Mae Gilene Begay with NNOGC's logo, that is directed to each delegate of the Navajo Nation Council, stating that they were the majority of the board who are opposing the confirmation of Frances Totsoni, Perry Shirley, and Carlos Duno to the board

12. Awareness of letters that were distributed at the direction of the Shareholder Representative majority, on or about December 21, 2013, addressed to Diandra Benally, Nelson Toledo, Lennard Eltsosie, Jennifer Hatathlie and Mae Gilene Begay, stating that each of them was either removed or suspended from the board

13. Awareness of the letter dated January 8, 2014, from Diandra Benally, Nelson Toledo, Lennard Eltsosie, Jennifer Hatathlie and Mae Gilene Begay, produced with NNOGC's logo, addressed to each of the delegates to the Navajo Nation Council stating that they were the majority of the board who are opposing the confirmation of Mr. Sandoval to the board

14. Awareness of notice of special meeting of the board sent by Mr. Eltsosie dated January 10, 2014 for the purpose of terminating the attorney contract between NNOGC and the Barnhouse firm and terminating the contract between NNOGC and Robert Joe

15. Awareness of an email from Jenny Dumas at the legal firm of Luebben, Johnson and Barnhouse, LLP to Diandra Benally, Nelson Toledo, Lennard Eltsosie, Jennifer Hatathlie and Mae Gilene Begay, stating the intent of NNOGC to seek a TRO against them
16. Letter dated January 17, 2014 from Russell Begaye on behalf of the Shareholder's Representatives to Diandra Benally, Nelson Toledo, Lennard Eltsosie, Jennifer Hatathlie and Mae Gilene Begay, informing each that he or she was suspended or removed from the board
17. Awareness of a TRO being individually entered against Diandra Benally, Nelson Toledo, Lennard Eltsosie, Jennifer Hatathlie, and Mae Gilene Begay on January 17, 2014. On January 21, 2014, each of the above named persons refused to allow a process server to personally serve them with the TRO at Homewood Suites Hotel in Albuquerque and/or refused to provide the process server with any of their names
18. Awareness of a purported board resolution dated January 21, 2014, purporting to terminate Robert Joe as NNOGC's President and CEO
19. Awareness of a letter dated January 21, 2014, produced with the NNOGC logo, addressed to Robert Joe purporting to act on behalf of the NNOGC board to notify him of his purported termination
20. Awareness of Diandra Benally, Nelson Toledo, Lennard Eltsosie, Jennifer Hatathlie, and Mae Gilene Begay voting to terminate NNOGC's attorney contract with Johnson Barnhouse & Keegan
21. Awareness of the drafting and signing of a purported NNOGC board resolution dated January 21, 2014,

purporting to terminate NNOGC's attorney contract with Johnson Barnhouse & Keegan

22. Awareness of the sending of a fax and a mailing dated January 23, 2014, purporting to act on behalf of the NNOGC board to notify Johnson Barnhouse & Keegan of the purported contract termination

23. Awareness of the holding of a purported vote to amend the previously terminated contract with Frye Law Firm on January 21, 2014.

24. Awareness of the drafting and signing of a purported NNOGC board resolution dated January 21, 2014, purporting to amend the previously terminated contract with Frye Law Firm.

25. Awareness of the drafting and signing a "First Amendment" to the previously terminated contract with Frye Law Firm on January 21, 2014.

26. Awareness of the drafting and signing of an "Affidavit of Diandra Benally" dated January 20, 2014, representing that she is the "Vice Chairperson" of the NNOGC board, and filing same with the Court on January 23, 2014

27. Awareness of drafting and signing of an "Affidavit of Leonard Eltsosie" dated January 20, 2014, representing that he is the "Chairman" of the NNOGC board and filing same with the Court on January 23, 2014.

28. Awareness of drafting and signing of an "Affidavit of Jennifer Hatathlie" dated January 21, 2014, representing that she is a "member" of the NNOGC board, and filing same with the Court on January 23, 2014

29. Awareness of the drafting and signing of an "Affidavit of Nelson Toledo" dated January 20, 2014, representing

that he is a “member” of the NNOGC board, and filing same with the Court on January 23, 2014

30. Awareness of the drafting and signing of an “Affidavit of Mae-Gilene Begay” dated January 20, 2014, representing that she is the “Secretary” of the NNOGC board, and filing same with the Court on January 23, 2014

31. Awareness of the drafting, signing and filing of a notice of dismissal of this case without prejudice, dated January 27, 2014, with the Court, purporting to act on behalf of the NNOGC

32. Awareness of the authority that Paul Frye and Stella Scott purportedly relied upon to assert that they and their firm legally represented NNOGC in NNOGC vs. Begay et al. in Window Rock District Court in WR-CV-32-14

33. Awareness of the drafting and signing of a “Declaration of Lennard Eltsosie” dated January 26, 2014, representing that he is the “Chairman” of the NNOGC board, and filing same with the Court on January 27, 2014

34. Awareness of the drafting and signing of a “Declaration of Mae-Gilene Begay” dated January 26, 2014, representing that she is the “Secretary” of the NNOGC board, and filing same with the Court on January 27, 2014

35. Awareness of the drafting and signing of a “Declaration of Nelson Toledo” dated January 26, 2014, representing that he is a “member” of the NNOGC board, and filing same with the Court on January 27, 2014

36. Awareness of the drafting and signing of a “Declaration of Jennifer Hatathlie” dated January 26, 2014,

representing that she is a "member" of the NNOGC board, and filing same with the Court on January 27, 2014

37. Awareness of drafting and signing of a "Declaration of Diandra Benally" dated January 26, 2014, representing that she is the "Vice Chairman" of the NNOGC board, and filing same with the Court on January 27, 2014

38. Awareness of Diandra Benally, Nelson Toledo, Mae Gilene Begay, Jennifer Hatathlie, and/or Lennard Eltsosie or any third person that acted at any of their direction, to contact any person employed by or contracted with the lenders to NNOGC, where any of them instructed the lender related person that either each of them is a board member of NNOGC with authority to act for NNOGC

39. Awareness of any meetings among Diandra Benally, Mae Gilene Begay, Nelson Toledo, Jennifer Hatathlie, and Lennard Eltsosie purporting to be a meeting of the board of NNOGC that is not identified herein

40. Awareness of Diandra Benally, Mae Gilene Begay, Toledo, Jennifer Hatathlie, and Lennard Eltsosie or any of them contacting the lessor of the NNOGC offices in Denver, CO and directing such lessor to take actions to prevent Robert Joe and perhaps others from accessing such offices, as well as advising the lessor that Mr. Joe was no longer an employee of NNOGC

41. Awareness of Nelson Toledo contacting certain staff of NNOGC and advising one or more to not work with Robert Joe and criticizing staff members who continued to work with NNOGC

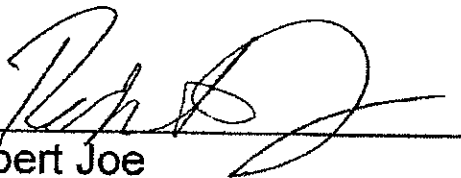
42. Awareness of Diandra Benally, Mae Gilene Begay, Nelson Toledo, Jennifer Hatathlie, and Lennard Eltsosie or any of them contacting staff members of NNOGC or

advising any of such staff members not to continue to work with Robert Joe or NNOGC

Membership on the board of directors of NNOGC is subject to removal at any time for cause. This Notice acknowledges that there was cause for four of the five Shareholder Representatives on December 21, 2013 to remove and suspend five members of the board. Since December 21, 2013, the five persons who were removed or suspended have continued to hold themselves out to the public as board members, and in some instances as the chairman of the board. Therefore, the Shareholder Representatives are convening to review the actions of the board and its members both before and after December 21, 2013. The meeting on March 7, 2013 will provide all persons who have acted as members or purported members of the board since August 1, 2012, including the persons removed or suspended at the December 21, 2013 meeting, an additional opportunity to provide testimony and other evidence that each has acted in accordance with their oath of office, the Charter, the bylaws, as amended, and in the best interests of the business interests of the Navajo Nation. Members of the board may bring their legal representative and any evidence that may support their respective statements to the Shareholder Representatives. Each member and purported member of the board will be reviewed independently of other persons by the Shareholder's Representatives. A transcript will be made of the meeting.

This Notice is being sent by email effectively on February 25, 2014. It is also being supplemented with registered mail, and may also be served by personal service.

Dated this 25th day of February 2014



Robert Joe
President

Exhibit A.2

Exhibit A.2

SPECIAL MEETING OF THE SHAREHOLDER
REPRESENTATIVES OF THE
NAVAJO NATION OIL & GAS COMPANY
TRANSCRIPT OF PROCEEDINGS
DISCUSSION OF MATTERS TO BE
REVIEWED AND DECIDED UPON

March 7, 2014

11:03 a.m.

Navajo Nation Oil & Gas Company
50 Narbono Circle West
St. Michaels, Arizona

REPORTED BY: Sally Peters, RPR, New Mexico CCR 57
Bean & Associates, Inc.
Professional Court Reporting Service
201 Third Street, Northwest, Suite 1630
Albuquerque, New Mexico 87102

(9919K) SP

Page 122	Page 124
<p>1 the Chair, Lennard Eltsosie, and the action that's 2 been taken on January 21st, and that speaks to 3 terminating Mr. Joe for just cause effective 4 immediately.</p> <p>5 And now I see this as an organization 6 that is dealing with millions and millions of 7 dollars almost daily, and you have said that in 8 your statement and you have described that these 9 type of transactions take place, and those are 10 important matters to this oil and gas company.</p> <p>11 So as you terminate the CEO of a company 12 such as this one, the size of it, you would think 13 that there would be a plan that would replace the 14 CEO when you terminate one and why you terminate 15 one, and you would have a transition plan in place 16 to keep the continuity and you would make yourself 17 available. So does any of that come with this, 18 because I think this is the first time I have seen 19 this -- and I guess if it was, it would be in 20 here -- transition plans and when the new CEO 21 would come into play to pick up the pieces or to 22 continue to do business as required by a company 23 of this size. So do you see any of it, or do we 24 have any of it? I guess I am asking any 25 individual here at this table here.</p>	<p>1 their answer in terms of succession, and I think 2 it goes back to what I just commented on. Ruben 3 King and Begay working with Paul Frye's law 4 office.</p> <p>5 And also to offer one other item, and 6 hopefully it was very clear. We did come across 7 an e-mail, Shareholder Begay, that came from 8 Stella to Ruben King specifically. We have that 9 evidence, and I understand absolutely hearsay is 10 something that unless you have proof, you can't 11 make that association just by, well, you know, you 12 have all these events that happened, but there is 13 no tie. We do have an e-mail that does make that 14 tie. There is evidence that that coordination was 15 going on.</p> <p>16 And so to answer Shareholder Begay's 17 question specifically, this group had offered to 18 put David Ruben King into that CEO position if the 19 opportunity availed itself in terms of relieving 20 Robert Joe.</p> <p>21 MR. BEGAY: Mr. Chair, so I suppose if 22 we get some more evidence of a document, that 23 would take place. However, not the acknowledging 24 the action of the 21st of January of the board 25 members' meeting and providing a document through</p>
Page 123	Page 125
<p>1 Mr. Chair?</p> <p>2 PRO TEM CHAIR BEGAYE: Okay. No, I 3 don't.</p> <p>4 MR. BEGAY: You don't have anything. 5 Anyone else?</p> <p>6 MR. ICKES: Is there a plan of 7 continuity, such as he was saying if something 8 happened to the chief executive officer, is there 9 a way of dealing with it without interruption?</p> <p>10 MR. MIKE: If I may ask a question, 11 Shareholder Begay, the resolution you were looking 12 at, that document was forged by, I guess, the 13 dissident shareholders. May I ask that question, 14 is that where that document comes from 15 specifically?</p> <p>16 MR. BEGAY: Yes, that's what I am 17 relating to. So is there any other document of a 18 plan that they have and says this is this.</p> <p>19 MR. MIKE: The only thing that I am 20 aware of, Shareholders, is that I do believe 21 factually what did happen was the recommendation 22 for relieving Robert Joe was, the recommendation 23 they made through Paul Frye was to put David Ruben 24 King in that position. That was what they had 25 recommended from Paul Frye's office. So that was</p>	<p>1 the resolution format, and I think the 2 shareholders are aware that there is an action 3 that has taken place by this body here as a 4 shareholder, that we have taken an action, but 5 they continue to move forward with taking action 6 which is questionable.</p> <p>7 However, I just want to have an 8 understanding what kind of a plan or what kind of 9 a support, as a board member, that they would give 10 to this oil and gas. But in an action that 11 continues to play this type of role, I think that 12 gives them a pattern of an attitude towards a 13 company in which they are supposedly to be very 14 much of a friendly or a trustworthy supporter to 15 this. But as I see this in the actions that they 16 have taken, they did not give any guidance other 17 than terminating the company or the CEO that I see 18 as evidence here.</p> <p>19 So, Mr. Chair, that's the only question 20 that I had.</p> <p>21 PRO TEM CHAIR BEGAYE: So let me go back 22 to the list. And we interviewed and received a 23 statement from Frances Totsoni, and the vote was 24 to continue her appointment as a board member. 25 And we considered Diandra Benally, and we voted to</p>

Page 126	Page 128
<p>1 reaffirm her removal from board membership. 2 And now we are at Lennard Eltsosie, and 3 before we dealt with Lennard Eltsosie and 4 considered the action that we took on him, 5 Mr. Ruben Mike came and shared with us some 6 additional information that was taken by 7 Mr. Lennard Eltsosie. 8 And, unfortunately, again they were 9 invited to be here more than 10 days prior to 10 today, to sit here, and with the extension of k'e, 11 and to hear his response to these actions, 12 purported actions, and it's unfortunate that he is 13 not here. 14 So based on that, I want to ask the 15 shareholders, what's your wishes at this point? 16 Lennard Eltsosie is on suspension as of December 17 21st, 2013. 18 Shareholder Damon. 19 MR. DAMON: With the additional 20 information that I just now received, that the 21 Paul Frye term was terminated before January 31st, 22 which gives me evidence that Ms. Scott wrote that 23 letter illegally because they were terminated 24 during that period. 25 PRO TEM CHAIR BEGAYE: Okay. That's the</p>	<p>1 February 2013. And also Mae Gilene Begay, her 2 term ended December of 2004. 3 Okay. So there is a motion and a 4 second, a second by Shareholder Maryboy, that 5 these two be removed from board membership. Any 6 questions? 7 MR. DAMON: Reaffirm the action of the 8 21st. However, from the 21st up to this date, 9 there is additional information that the 10 shareholders received, and with that, that 11 evidence is cause for termination. I want that in 12 the record. 13 PRO TEM CHAIR BEGAYE: Okay. And so 14 Shareholder Damon is stating that Lennard Eltsosie 15 and Mae Gilene Begay, on December 21, 2013, were 16 suspended by the shareholders based on the charges 17 that were brought to the shareholders at that 18 time. However, with additional information, 19 Shareholder Damon is making a motion that Lennard 20 Eltsosie and Mae Gilene Begay be removed as board 21 members. And there is a second. One, two, three, 22 it passes. 23 So with that vote, Lennard Eltsosie and 24 Mae Gilene Begay are removed from board 25 membership.</p>
Page 127	Page 129
<p>1 question that you were asking and that you 2 received today. 3 MR. DAMON: I would like to make a 4 motion that these two be terminated. 5 PRO TEM CHAIR BEGAYE: There is a motion 6 to terminate Lennard Eltsosie and also to 7 remove -- excuse me -- to remove Lennard Eltsosie 8 and to remove Mae Gilene Begay. So there is a 9 motion to remove both Lennard Eltsosie and Mae 10 Gilene Begay from board membership. Is there a 11 second? 12 MR. DAMON: And they are not here. 13 PRO TEM CHAIR BEGAYE: Okay. There is 14 no second, so the motion fails. 15 MR. MARYBOY: I will second it. 16 MR. ICKES: Okay. 17 MR. MARYBOY: (Comments in Navajo.) 18 PRO TEM CHAIR BEGAYE: Okay. Let me 19 take the failed motion back, since there was a 20 second here. So the motion was made by 21 Shareholder Damon to remove Lennard Eltsosie and 22 Mae Gilene Begay as members of the Navajo Nation 23 Oil & Gas board, and again to remind our 24 shareholders that the service of Lennard Eltsosie 25 terminated on February 2013, his term ended on</p>	<p>1 And Jennifer Hatathlie is the next one, 2 and in the December 21st, 2013, meeting, she was 3 removed by the shareholders, based on the 4 authority that was given to them by the charter 5 that they can remove board members with cause. 6 And so a letter was written, again, to them 7 certified mail, to Jennifer Hatathlie, on 8 December 23, 2013, stating that the shareholders 9 representatives remove her from her position as a 10 board member effective immediately. And a letter 11 was sent by Randolph Barnhouse, again, on 12 December 23rd, 2013. 13 So what are the wishes of the 14 shareholders? 15 MR. DAMON: Off the record. 16 (A discussion was held off the record.) 17 PRO TEM CHAIR BEGAYE: Dealing with 18 Jennifer Hatathlie, and again, she was removed by 19 the shareholders on December 21, 2013, and again, 20 she was invited to be here on February 25th, more 21 than 10 days ago, in the spirit of k'e and to talk 22 things out, for her to answer the charges that 23 were brought back in December, and also the new 24 charges that were brought forth, not against her 25 but additional charges.</p>

Page 154	Page 156
<p>1 to adjourn, I would like to put on record that we 2 are thankful for those seven members who have 3 served on there. Even though we terminated them, 4 that we are very thankful that they put in their 5 effort at the time that they served. (Comments in 6 Navajo.) Thank you. 7 PRO TEM CHAIR BEGAYE: There is a motion 8 by Shareholder Maryboy that we adjourn, and 9 seconded by Shareholder Damon. Questions? 10 (Comments in Navajo.) One, two, three, this 11 passes with no opposition, and the shareholder 12 meeting adjourns as of 5:27 p.m. on March 7, 2014. 13 Thank you. 14 (The meeting concluded at 5:27 p.m.) 15 16 17 18 19 20 21 22 23 24 25</p>	<p>1 RECEIPT 2 JOB NUMBER: 9919K SP 3 DATE TAKE: March 7, 2014 4 WITNESS NAME: MERV LYNCH 5 CASE CAPTION: NNOGC SHAREHOLDER REPS. MEETING 6 ***** 7 ATTORNEY: MR. MERV LYNCH AND MR. R. DENNIS ICKES 8 DOCUMENT: Transcript / Exhibits / Disks / Other _____ 9 DATE DELIVERED: _____ DEL'D BY: _____ 10 REC'D BY: _____ TIME: _____ 11 ***** 12 13 14 15 16 17 18 19 20 21 22 23 24 25</p>
Page 155	
<p>1 REPORTER'S CERTIFICATE 2 3 I, Sally Peters, CCR, RPR, a Certified 4 Court Reporter, do hereby certify that the 5 proceedings of the above-entitled cause were 6 reported by me stenographically on March 7, 2014, 7 and that the within transcript is a true and 8 accurate transcription of my shorthand notes. 9 I FURTHER CERTIFY that I am neither an 10 attorney nor counsel for, nor related to or 11 employed by any of the parties to the action, and 12 that I am not a relative or employee of any 13 attorney or counsel employed by the parties 14 hereto, or financially interested in the action. 15 16 17 _____ 18 Sally Peters, CCR, RPR 19 Certified Court Reporter 20 License Expires 12/31/14 21 22 23 24 25 (9919K)SP</p>	

Exhibit B

Exhibit B

Facsimile

Bailey Augusta Jones Pham bpham@velaw.com
Tel +1.214.220.7798 Fax +1.214.998.7798

From:	Date:	Client/Matter No.
Bailey Pham	May 15, 2014	WEL554/52004
Regarding:	Number of Pages	Hard Copy Follows
Navajo Nation Oil and Gas Company regarding Authorized Representatives	4 (including cover page)	No

To:	Fax:	Phone:
Navajo Nation Oil and Gas Company	303.534.1405 928.871.4882	
Faegre Baker Daniels LLP Attention: Charles Bybee	303.607.3600	
Frye Law Firm, P.C. Attention: Paul E. Frye, Stella M. Scott and W. Gregory Kelly	505.296.9401	
Johnson Barnhouse & Keegan LLP Attention: Randolph Barnhouse, Jenny J. Dumas and Kelli J. Keegan	505.842.6124	
Navajo Nation Department of Justice Attention: Hon. Harrison Tsosie, Attorney General and Dana Bobroff, Deputy Attorney General	928.871.6177	
Wells Fargo Bank, National Association, as administrative agent Attention: Tim Green	303.863.5196	

Message:

Confidentiality Notice: The information contained in this FAX may be confidential and/or privileged. This FAX is intended to be reviewed initially by only the individual named above. If the reader of this TRANSMITTAL PAGE is not the intended recipient or a representative of the intended recipient, you are hereby notified that any review, dissemination or copying of this FAX or the information contained herein is prohibited. If you have received this FAX in error, please immediately notify the sender by telephone and return this FAX to the sender at the below address. Thank you.

Vinson & Elkins LLP Attorneys at Law
Abu Dhabi Austin Beijing Dallas Dubai Hong Kong Houston London
Moscow New York Palo Alto Riyadh San Francisco Tokyo Washington

Trammell Crow Center, 2001 Ross Avenue, Suite 3700
Dallas, TX 75201-2075
Tel +1.214.220.7700 Fax +1.214.220.7718 www.velaw.com

US 2502438v.1

Vinson & Elkins

Bailey Pham bpham@velaw.com
Tel 214.220.7798 Fax 214.999.7798

May 15, 2014

VIA TELECOPY (303-534-1405) / (928-871-4882)

Navajo Nation Oil and Gas Company
1675 Broadway, Suite 1100
Denver, Colorado 80202

Re: Authorized Representatives

Ladies and Gentlemen:

We are writing regarding the Third Amended and Restated Credit Agreement dated as of July 2, 2012 (as amended, restated, supplemented or modified from time to time, the "Credit Agreement"), by and among Navajo Nation Oil and Gas Company, a Federally chartered Tribal business corporation formed pursuant to 25 U.S.C. § 477, and wholly-owned by the Navajo Nation (the "Borrower"), Wells Fargo Bank, National Association, in its capacity as administrative agent (the "Administrative Agent"), and the other financial institutions party thereto as lenders (the "Lenders"). Unless expressly defined herein or the context clearly requires otherwise, all defined terms shall have the meaning assigned to such terms in the Credit Agreement.

This firm represents the Administrative Agent in connection with matters related to the Credit Agreement and the other Loan Documents. The Administrative Agent has received additional information, documents and pleadings related to ongoing litigation proceedings, including Case No. SC-CV-25-14 in the Supreme Court of the Navajo Nation involving the Borrower (collectively, the "Proceedings"). These Proceedings call into substantial question which Borrower representatives have authority to take action with respect to matters under or in connection with the Credit Agreement, the other Loan Documents and the Bank Products. In order to fulfill its obligations under the Credit Agreement, the Administrative Agent must receive information demonstrating with certainty which officers, board members or other representatives are authorized to make decisions and take action on behalf of the Borrower with respect to the Credit Agreement, the other Loan Documents and the Bank Products.

Vinson & Elkins LLP Attorneys at Law
Abu Dhabi Austin Beijing Dallas Dubai Hong Kong Houston London
Moscow New York Palo Alto Riyadh San Francisco Tokyo Washington

Trammell Crow Center, 2001 Ross Avenue, Suite 3700
Dallas, TX 75201-2975
Tel +1.214.220.7700 Fax +1.214.220.7716 www.velaw.com

2494537v.3 WEL554/52004

V&E

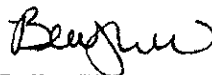
May 15, 2014 Page 2

Please provide promptly to the Administrative Agent, with a copy to us, information sufficient to satisfy the Administrative Agent's concerns no later than 5:00 p.m. CST on Monday, May 19, 2014 (the "Specified Deadline"). The Administrative Agent, individually and on behalf of the Lenders and the other Secured Parties, reserves all of its rights and remedies under the Credit Agreement, the other Loan Documents and the Bank Products and will strictly enforce the terms and conditions of the Loan Documents. If the Administrative Agent does not timely receive satisfactory information, the Administrative Agent may be forced to take legal action to preserve its rights and remedies and receive guidance about its obligations, including without limitation seeking a declaratory judgment from a court of competent jurisdiction to confirm who is authorized to take actions under the Loan Documents and the Bank Products on behalf of the Borrower.

In addition, the Administrative Agent requests the opportunity to send one or more representatives to Window Rock, Arizona to meet with a representative of the Navajo Nation Council, or, to the extent this is not possible, to meet with a high-ranking official of the Navajo Nation who has knowledge of the matters with the Borrower and authority to direct the actions of the Borrower or its governing body. Please advise the Administrative Agent by the Specified Deadline of the name(s) of such person and convenient dates and times to have such a meeting with the Administrative Agent.

We look forward to hearing from you.

Very Truly Yours,



Bailey Pham

V&E

May 15, 2014 Page 3

cc: Faegre Baker Daniels LLP
Attention: Charles Bybee
Telecopy No. 303-607-3600

Frye Law Firm, P.C.
Attention: Paul E. Frye, Stella M. Scott and W. Gregory Kelly
Telecopy No. 505-296-9401

Johnson Barnhouse & Keegan LLP,
Attention: Randolph Barnhouse, Jenny J. Dumas and Kelli J. Keegan
Telecopy No. 505-842-6124

Navajo Nation Department of Justice
Attention: Hon. Harrison Tsosie, Attorney General and
Dana Bobroff, Deputy Attorney General
Telecopy No. 928-871-6177

Wells Fargo Bank, National Association, as administrative agent
Attention: Tim Green
Telecopy No. 303-863-5196

Exhibit C

Exhibit C

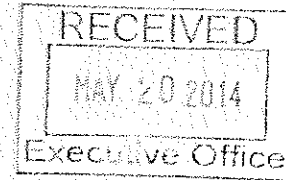
Office of Legislative Counsel
Telephone: (928-871-7166
Fax #: (928-871-7576



Honorable LoRenzo Bates
Pro-Tem Speaker
22nd Navajo Nation Council

May 19, 2014

Ms. Bailey Pham
Vinson & Elkins LLP
Trammell Crow Center
2001 Ross Avenue, Suite 3700
Dallas, TX 75202-2975



Re: Lenders' Administrative Agent Concerns re Authority for Decisions on Behalf of Navajo
Nation Oil and Gas Company

Dear Ms. Pham:

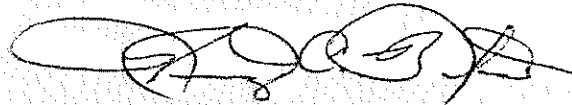
I am taking the liberty to contact you as result of your letter addressed to Navajo Nation Oil and Gas Company ("NNOGC") dated May 15, 2014. The letter recently came to my attention and, I believe, requires a response from the Legislative Branch of the Navajo Nation.

Your letter seeks to determine which Borrower Representatives have authority to take action with respect to matters under or in connection with the Credit Agreement, the other Loan Documents and the Bank Products. I will presume you are aware of the transformation of the Navajo Nation government structure reducing the number of delegates from 88 to 24, subsequently reducing the Standing Committees from 11 to five. This government restructuring has an impact on NNOGC's federal Charter of Incorporation (Charter) relative to the number of Shareholder Representatives.

The current Navajo Nation Council Standing Committees have selected a Shareholder Representative pursuant to the current federal Charter. The Council recognizes that the Shareholder Representatives must act in the commercial best interest of the Navajo People as required by Charter. The Council also recognizes that the Navajo Nation government, including the Council itself, must not interfere with "the activities, transactions, obligations, liabilities and property" of NNOGC because those activities are not those of the Navajo Nation, Charter, Article IV(A). Thus, the Council understands that no unit of the Navajo Nation government has authority to determine the Borrowers Representatives. The Navajo Nation Council looks to the five Shareholder Representatives to identify the members of the Board of Directors and the

officers of NNOGC. That Board and those officers have presumably designated NNOGC's Borrowers Representatives.

Sincerely,

A handwritten signature in black ink, appearing to read "LoRenzo C. Bates", with a large, stylized initial "L" and a horizontal line extending to the right.

LoRenzo C. Bates
Speaker Pro Tempore

cc: Shareholder Representatives

Exhibit D

Exhibit D

Jr 3

2014-06-09 17:28:35 CDT

12149997798 From: Bailey Pham



Wells Fargo Energy Group
Oil & Gas Division - Denver
MAC C7300-061
1700 Lincoln St, 8th floor
Denver, CO 80203

wellsfargo.com

June 9, 2014

SENT VIA REGULAR AND CERTIFIED MAIL
RETURN RECEIPT REQUESTED, AND FACSIMILE
AT (928-871-4882)

Navajo Nation Oil and Gas Company
P.O. Box 4439
Window Rock, Arizona 86515

Re: Scheduled May 1st 2014 Semi-Annual Borrowing Base Redetermination under the Third Amended and Restated Credit Agreement dated as of July 2, 2012, by and among Navajo Nation Oil and Gas Company, a Federally chartered Tribal business corporation formed pursuant to 25 U.S.C. § 477, and wholly-owned by the Navajo Nation (the "Borrower"), Wells Fargo Bank, National Association, in its capacity as administrative agent (the "Administrative Agent"), and the other financial institutions party thereto as lenders (the "Lenders"), as amended by that certain First Amendment to Credit Agreement dated as of December 7, 2012 and that certain Second Amendment to Credit Agreement and First Amendment to Existing Guaranty Agreement dated as of December 5, 2013 (as may be further amended, restated, supplemented or modified from time to time, the "Credit Agreement"); unless otherwise defined herein or the context clearly requires otherwise, all capitalized terms used herein which are defined in the Credit Agreement shall have the meaning assigned to such terms in the Credit Agreement.

Ladies and Gentlemen:

Pursuant to Section 2.07(c)(iii) of the Credit Agreement, please be advised that the Required Lenders have approved the proposed Borrowing Base of \$110.0 million (the "Proposed Borrowing Base") in connection with the May 1st Scheduled Redetermination of the Borrowing Base, and the new Borrowing Base is hereby designated to be \$110,000,000. This results in a Borrowing Base deficiency in the amount of \$42,750,000. Please advise the Administrative Agent of your written election under Section 3.04(c)(ii) of the Credit Agreement to remedy this deficiency within ten (10) days after the date of this letter as required by the Credit Agreement.

As of June 4, 2014, BOKF, NA dba Bank of Oklahoma, U.S. Bank National Association, Union Bank, N.A. and Citibank, N.A. had not approved the Proposed Borrowing Base. Therefore the Administrative Agent polled the Lenders as required by Section 2.07(c)(iii) of the Credit Agreement which resulted in the approval of the Proposed Borrowing Base.

2657251v.2 WEL554/52004

Together we'll go far



Exhibit "A"

RECEIVE:

NO. 3820

06/09/2014/MON 04:25PM

Please call the undersigned with any questions you may have regarding the foregoing.

Very truly yours,

Wells Fargo Bank, National Association, as
Administrative Agent

By: 

Name: Michaela Braun

Title: Director

cc:

Paegre Baker Daniels LLP
1700 Lincoln Street
3200 Wells Fargo Center
Denver, Colorado 80203
Attention: Charles Bybee
(Telecopy No. 303-607-3600)

Frye Law Firm, P.C.
10400 Academy Road NE
Suite 310
Albuquerque, New Mexico 87111
Attention: Paul E. Frye
Telecopy No. 505-296-9401

Johnson Barnhouse & Keegan LLP,
7424 4th Street NW
Los Ranchos, NM 87107
Attention: Randolph Barnhouse
Telecopy No. 505-842-6124

Lenders (by posting)

2657251 v.2 WEL554/52004

RECEIVE:

NO. 3820

06/09/2014/MON 04:25PM

Exhibit E

Exhibit E

From: Reuben Mike <rmike@[REDACTED]>
Subject: Request from Interim CEO
Date: June 23, 2014 at 8:56:11 AM MDT
To: "carlos duno@[REDACTED]" <carlos_duno@[REDACTED]>, "sandedly@[REDACTED]" <sandedly@[REDACTED]>, "francestotsoni@[REDACTED]" <francestotsoni@[REDACTED]>, "perryinwr@[REDACTED]" <perryinwr@[REDACTED]>, "sting ra@[REDACTED]" <sting_ra@[REDACTED]>, "eltsoziel@[REDACTED]" <eltsoziel@[REDACTED]>, "hatathlie i@[REDACTED]" <hatathlie_i@[REDACTED]>, "DBenally@[REDACTED]" <DBenally@[REDACTED]>
Cc: Paul Frye <pef@[REDACTED]>, R D Ickes <ickes6@[REDACTED]>, "Michael Unshaw" <mupshaw@[REDACTED]>, "cheryl j7299@[REDACTED]" <cheryl_j7299@[REDACTED]>, "sethdamon@[REDACTED]" <sethdamon@[REDACTED]>, "russellbegave@[REDACTED]" <russellbegave@[REDACTED]>, "melrbegav@[REDACTED]" <melrbegav@[REDACTED]>, "ltncd@[REDACTED]" <ltncd@[REDACTED]>, Merv Lynch <mlynch@[REDACTED]>

Board Members:

Given the legal opinion rendered by the Navajo Nation Supreme Court on Friday, specific to Case No. SC-CV-25-14, the company (NNOGC) acknowledges that "the five directors were not validly suspended or removed on December 21, 2013" and "continue to actively serve without interruption prior to and following December 21, 2013."

Our adherence to this ruling is not at issue; however, as Interim CEO, I am respectfully requesting individual board members to refrain from attempts to disrupt or intervene with daily operations. I recognize the authority of the board as a group, as opposed to an individual (or individuals); therefore, any company-related changes or direction made from the board need to come from the collective members.

We will move to call a special board meeting very soon. In the meantime; however, I ask that we all respect our staff by allowing them to continue with their responsibilities. To ensure the protection of staff and company property, I will not be allowing individuals board members access to the corporate office without a signed court order. Again, this is just a precautionary measure, which I do for the protection of all individuals and to ensure that civility and peace is maintained during this transition.

Respectfully,

Reuben Mike
Interim CEO
Navajo Nation Oil & Gas Company
Voice: (928) 871-4880, Ext. 503

Exhibit 4

Exhibit 4

-----Original Message-----

From: Robert Joe [RJoe@nnogc.com]

Sent: Wednesday, December 11, 2013 05:46 PM US Mountain Standard Time

To: 'melrbegay@navajo-nsn.gov'; 'russellbegaye@gmail.com'; 'cheryl_jean@ymail.com'; 'ltncd@yahoo.com'; 'jnaize@navajo-nsn.gov'; 'lhenson@navajo-nsn.gov'; 'president.benshelly@navajo-nsn.gov'; 'albertalaughing@navajo-nsn.gov'

Cc: Robert Joe; 'Dolph Barnhouse'; Diandra Benally; Frances Totsoni; Jennifer Hatathlie; Lennard Eltsosie; Mae-Gilene Begay; Nelson Toledo; Perry Shirley

Subject: Special Shareholder Meeting / Notice & Agenda

A special meeting of the NNOGC Shareholder Representatives has been called by four of the Shareholder Representatives to take place on 12/21/13 in Albuquerque, NM. Attached are the meeting notice and agenda.

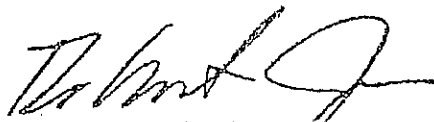
**NOTICE OF SPECIAL SHAREHOLDER MEETING
NAVAJO NATION OIL AND GAS COMPANY**

Pursuant to Article X (B) of the NNOGC Charter, and Article II Section 2.4 of the NNOGC Bylaws, a special meeting of the shareholder (shareholder representatives) will be held in person at the Embassy Suites Hotel on Saturday, December 21, 2013 at 9 a.m.

The purposes for which the special meeting is called are:

- a) Shareholder representative review of actions by current NNOGC board members that may be in violation of NNOGC's Charter, Bylaws, fiduciary obligations board members owe to the corporation and/or the directors' oath of office; and
- b) Shareholder representative action as appropriate to address issues identified during discussion of item (a) above.

Attached to this notice is an agenda for the December 21, 2013 special shareholder meeting.



Mr. Robert Joe, President
Navajo Nation Oil and Gas Company

December 11, 2013

Exhibit 5

Exhibit 5



Johnson
Barnhouse
& Keegan LLP
Attorneys at Law

rbarnhouse@indiancountrylaw.com
505.842-6123 ext 104

December 23, 2013

**VIA CERTIFIED MAIL RETURN RECEIPT REQUESTED
AND EMAIL**

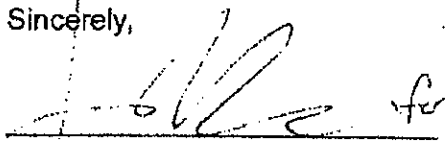
Frances Totsoni
P.O. Box 2678
Chinle, AZ 86503
francestotsoni@yahoo.com

Re: Navajo Nation Oil and Gas Company

Dear Ms. Totsoni:

After deliberation at the shareholder representatives meeting on Saturday, December 21, 2013, the shareholder representatives took no action that would affect your position as a board member. The shareholder representatives instructed me to send you this letter notifying you of their decision.

Sincerely,



Randolph Barnhouse



Johnson
Barnhouse
& Keegan LLP
Attorneys at Law

rbarnhouse@indiancountrylaw.com
505.842-8123 ext 104

December 23, 2013

VIA CERTIFIED MAIL RETURN RECEIPT REQUESTED
AND EMAIL

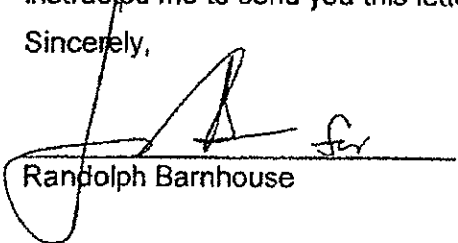
Perry Shirley
P.O. Box 144
Lupton, AZ 86508
perryinwr@yahoo.com

Re: Navajo Nation Oil and Gas Company

Dear Mr. Shirley:

After deliberation at the shareholder representatives meeting on Saturday, December 21, 2013, the shareholder representatives took no action that would affect your position as a board member. The shareholder representatives instructed me to send you this letter notifying you of their decision.

Sincerely,



Randolph Barnhouse



Johnson
Barnhouse
& Keegan LLP
Attorneys at Law

rbarnhouse@indiancountrylaw.com
505.842-6123 ext 104

December 23, 2013

VIA CERTIFIED MAIL RETURN RECEIPT REQUESTED
AND EMAIL

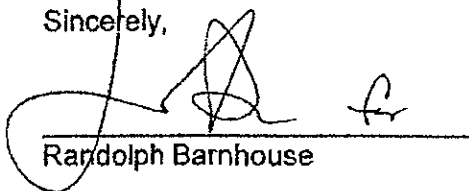
Mae-Gilene Begay
P.O. Box 681
Kayenta, AZ 86033
mgbegay@yahoo.com

Re: Navajo Nation Oil and Gas Company

Dear Ms. Begay:

After deliberation at the shareholder representatives meeting on Saturday, December 21, 2013, the shareholder representatives suspended you from your position as a board member effective immediately. The shareholder representatives instructed me to send you this letter notifying you of their decision.

Sincerely,



Randolph Barnhouse



Johnson
Barnhouse
& Keegan LLP
Attorneys at Law

rbarnhouse@indiancountrylaw.com
505.842-6123 ext 104

December 23, 2013

**VIA CERTIFIED MAIL RETURN RECEIPT REQUESTED
AND EMAIL**

Diandra Benally
11402 North Saguaro Blvd. #B
Fountain Hills, AZ 85268
DBenally@fortmcdowell.org

Re: *Navajo Nation Oil and Gas Company*

Dear Ms. Benally:

After deliberation at the shareholder representatives meeting on Saturday, December 21, 2013, the shareholder representatives removed you from your position as a board member effective immediately. The shareholder representatives instructed me to send you this letter notifying you of their decision.

Sincerely,

Randolph Barnhouse



Johnson
Barnhouse
& Keegan LLP
Attorneys at Law

rbarnhouse@indiancountrylaw.com
505.842-6123 ext 104

December 23, 2013

**VIA CERTIFIED MAIL RETURN RECEIPT REQUESTED
AND EMAIL**


Lennard Eltsosie
P.O. Box 798
Keams Canyon, AZ 86034
eltsosiel@yahoo.com

Re: *Navajo Nation Oil and Gas Company*

Dear Mr. Eltsosie:

After deliberation at the shareholder representatives meeting on Saturday, December 21, 2013, the shareholder representatives suspended you from your position as a board member effective immediately. The shareholder representatives instructed me to send you this letter notifying you of their decision.

Sincerely,



Randolph Barnhouse



Johnson
Barnhouse
& Keegan LLP
Attorneys at Law

rbarnhouse@indiancountrylaw.com
505.842-6123 ext 104

December 23, 2013

**VIA CERTIFIED MAIL RETURN RECEIPT REQUESTED
AND EMAIL**

Jennifer Hatathlie
7855 E. Fawn Run Road
Flagstaff, AZ 86004
Hatathlie_j@yahoo.com

Re: Navajo Nation Oil and Gas Company

Dear Ms. Hatathlie:

After deliberation at the shareholder representatives meeting on Saturday, December 21, 2013, the shareholder representatives removed you from your position as a board member effective immediately. The shareholder representatives instructed me to send you this letter notifying you of their decision.

Sincerely,



Randolph Barnhouse



Johnson
Barnhouse
& Keegan LLP
Attorneys at Law

rbarnhouse@indiancountrylaw.com
505.842-6123 ext 104

December 23, 2013

**VIA CERTIFIED MAIL RETURN RECEIPT REQUESTED
AND EMAIL**

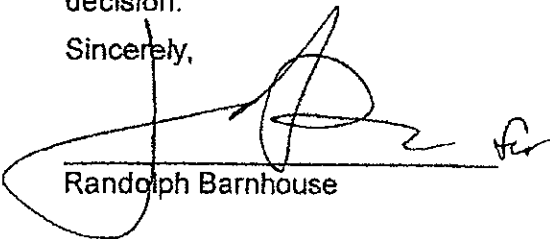
Nelson Toledo
P.O. Box 2365
Bloomfield, NM 87413
sting_ra@hotmail.com

Re: *Navajo Nation Oil and Gas Company*

Dear Mr. Toledo:

After deliberation at the shareholder representatives meeting on Saturday, December 21, 2013, the shareholder representatives suspended you from your position as a board member effective immediately. The shareholder representatives instructed me to send you this letter notifying you of their decision.

Sincerely,



Randolph Barnhouse

Exhibit 6

Exhibit 6

DECLARATION OF NNOGC'S
CHIEF FINANCIAL OFFICER--REUBEN MIKE

Reuben Mike, being first duly sworn, upon his oath states as follows: I have personal knowledge of the information contained in this Declaration and if called as witness, I would testify competently.

1. During the events described herein, I formerly served as Vice President and Chief Financial Officer of Navajo Nation Oil and Gas Company ("NNOGC") from February 14, 2014 until June 24, 2014 when I was removed from my position by Defendant Lennard Eltsosie.
2. I have over 20 years of professional experience which includes senior positions within Hewlett-Packard, Raytheon, and United Launch Alliance. I have a proven record of strong executive and financial management of large global companies.
3. I have a B.S. in business administration from Northern Arizona University and an MBA from the University of Arizona with a public accounting concentration.
4. As VP and CFO of NNOGC, I have been responsible for the general supervision, direction, and control of the business's financial management, accounting, and compliance.
5. In the last several months, I have guided the company out of significant financial difficulties that were caused by grossly negligent conduct of removed board members and former employees.
6. I am intimately familiar with NNOGC's current financial status and business administration.

7. NNOGC is party to the Third Amended and Restated Credit Agreement (“Credit Agreement”) dated July 2, 2012, by and among NNOGC and Wells Fargo Bank, National Association and other financial institutions as lenders (“Lenders”). The Credit Agreement provides NNOGC the ability to borrow operating capital critical to its business.
8. On December 21, 2013, all serving NNOGC Shareholder Representatives met and voted by majority vote to remove two NNOGC board members – Diandra Benally and Jennifer Hatathlie. On that same date, the NNOGC Shareholder Representatives suspended three other board members from service – Nelson Toledo, Lennard Eltsosie, and Mae-Gilene Begay.
9. Litigation within the Navajo Nation court system followed involving the removed and/or suspended board members, NNOGC’s management, and other interested parties.
10. The dispute ultimately spilled over into NNOGC’s daily operations as the terminated and suspended board members continued to assert control over NNOGC to the detriment of company morale and productivity.
11. While there are many substantial problems caused by the continued attempts to assert control over NNOGC and its daily operations, I believe much harm will come to NNOGC if Defendants are not enjoined from their current actions. As NNOGC’s former CFO, my primary fear is that Defendants will irreparably harm NNOGC’s ability to borrow operating capital under NNOGC’s Credit Agreement.
12. The removed and suspended board members’ actions appear to have contributed to a \$47.5 million reduction in NNOGC’s borrowing base under NNOGC’s existing Credit Agreement. There is a possibility that if Defendants are not enjoined from disturbing the

status quo that existed prior to the Navajo Nation Supreme Court's decision on June 20, 2014 that the lending group could significantly reduce further, or outright cancel the company's entire borrowing base under the existing credit agreement.

13. It is critical to understand that NNOGC, at times, significantly depends upon borrowing from off-reservation, non-Navajo, financial institutions to provide operating capital for oil and gas exploration, as well as other operational activities.
14. Prior to June 9, 2014, NNOGC enjoyed a borrowing base of \$170 million under the Credit Agreement. The size of the borrowing base was of immense importance to NNOGC and a point of pride, as it is one the largest borrowing bases extended to a corporation wholly-owned by a federally-recognized tribe. It is important to maintain the highest credit extension possible because of the company's financial covenants, specifically the ratio of total funded debt to EBITDA (Credit Agreement, Article XI, Section 9.01, Paragraph (b)), which must be kept below 3.5 to 1.0.
15. NNOGC's Credit Agreement requires the company to certify to the financial conditions of the company, including any events, developments, or circumstances that could have a material adverse effect on NNOGC, including any administrative, judicial, political activity affecting the operational independence of NNOGC. NNOGC Credit Agreement Article VII (Representations and Warranties).
16. The size of the borrowing base was due not only to the continued success and future prospects of NNOGC as an oil and gas enterprise, but also because of NNOGC's status as a federally-chartered Section 17 Tribal Corporation, separate and apart from its owner, the Navajo Nation.

17. As one might understand, based on historical incidents and general misconceptions about doing business with tribal enterprises and fear of tribal politics invading the province of business decisions, many businesses and lenders will not do business or extend significant credit to tribes and tribal businesses for fear that tribal politics and tribal sovereignty will significantly interfere with recouping any investments.
18. In addition to the ongoing litigation, one of the terminated and suspended board members' attorneys, William Gregory Kelly a/k/a Greg Kelly, along with two Navajo Nation police officers, arrived at the corporate office of NNOGC on May 2, 2014 (without a Court Order) and demanded a direct meeting with all staff and access to the building. In an apparent attempt at intimidation, former board members Lennard Eltsosie and Nelson Toledo, purportedly claiming authority as board members, presented letters that: (a) purported to remove CEO Robert Joe; and (b) purported to place me on administrative leave. They also claimed to have other letters for other employees to place on administrative leave. See **Exhibit A**. The apparent effect of these actions was to simply increase confusion concerning the proper authorities directing NNOGC's day-to-day activities and apparently to cause more Lender uncertainty.
19. At the direction of NNOGC's legitimate board members and the shareholders' legal counsel, I did not take administrative leave and continued in my role as acting CEO for that day, as well as VP and CFO.
20. On May 15, 2014, I was informed by the Wells Fargo Administrative Agent, Tim Green, that I was removed as having any legal authority of NNOGC's bank accounts. I understand this was a result of Defendants' attorney contacting the Administrative Agent that I was going to be terminated. It was also made clear that if NNOGC did not find a

way to free itself from the political contest for authority, that the terms of the Credit Agreement could provide the Lenders with grounds to cancel the entire loan. This would place NNOGC in immediate default and possibly require immediate repayment of \$152,750,000 borrowed at that time, as well as curing all remedies as defined in NNOGC's Credit Agreement, Article X (Events of Default; Remedies).

21. Contemporaneously therewith, the Administrative Agent sent NNOGC a letter stating that it had become aware of the political infighting caused by the Defendants (the removed and suspended directors) with NNOGC's current management, board of directors, and shareholders. The letter noted that the court proceedings in the Navajo Nation Tribal Court had called into question which borrower representatives had authority to take action pursuant to the Credit Agreement. The letter requested "information demonstrating with certainty which officers, board members or other representatives are authorized to make decisions and take action on behalf of [NNOGC]."

See Exhibit B.

22. CEO Robert Joe and I immediately responded to the Lenders' letter on May 16, 2014 informing the Administrative Agent that both Robert Joe and I continued to be authorized as the representatives of NNOGC with authority to take action with regard to the Credit Agreement. *See Exhibit C.*

23. While efforts were made to provide reasonable assurance to the Lenders, including personal teleconferences with the Lenders' representatives and a letter sent by the Navajo Nation Speaker Pro Tem on behalf of NNOGC expressing that myself and CEO Robert Joe had rightful authority to conduct business on behalf of NNOGC, the political infighting caused by Defendants' continued attempts to assert control over NNOGC and

remove myself and Robert Joe from our executive positions was likely a contributing factor to the Lenders reducing NNOGC's borrowing base under the terms of the Credit Agreement.

24. On June 9, 2014, the Administrative Agent of the Lenders under the Credit Agreement sent a letter to the company notifying the company that the \$170 million borrowing base had been downward adjusted to \$110,000,000. *See Exhibit D.*
25. As a direct result of this downgrade to NNOGC's borrowing base, NNOGC had an immediate deficiency of approximately \$42,750,000.
26. Under the terms of the Credit Agreement, NNOGC had only ten (10) days to decide how to address this deficiency, and ultimately NNOGC elected a contract provision under the Credit Agreement allowing it to pay down the amounts over a period of six months.
27. While NNOGC has resources to pay these funds when and as due, the downward adjustment to NNOGC's borrowing base significantly hinders NNOGC's ability to engage in new business ventures going-forward.
28. In summary, the political fight caused by the Defendants' refusal to recognize and respect the decisions of NNOGC's shareholders has already caused significant disruption and contributed to irreparable harm to NNOGC's ability to borrow operating capital.
29. Given the Navajo Nation Supreme Court decision on June 20, 2014, I sensed that this could lead to further disaster and disruption to NNOGC's business and sent an e-mail on June 23, 2014 to all parties involved in this dispute regardless of their rightful claim to assert control over NNOGC, including Defendants, asking that everyone "respect [NNOGC's] staff by allowing them to continue with their responsibilities," and explaining that "[t]o ensure the protection of staff and company property, I [would] not

be allowing individual board members access to the corporate office without a signed court order.” I noted that “this is just a precautionary measure, which I do for the protection of all individuals and to ensure that civility and peace is maintained during this transition.” *See Exhibit E.*

30. Given the previous harm done to NNOGC, I was dismayed when on June 24, 2014, I again received a letter on NNOGC’s letterhead via fax from Defendant Lennard Eltsosie. Mr. Eltsosie, claiming to be the Chairman of NNOGC’s Board of Directors, informed me that I had been terminated, effective immediately, for cause on spurious and unsubstantiated grounds. *See Exhibit F.*
31. I later came to understand that Defendant Lennard Eltsosie’s renewed attempts to remove me from authority in the management of NNOGC was a result of the Navajo Nation Supreme Court’s recent decision on June 20, 2014 that concluded, without any evidentiary hearing, that the Defendants were not properly removed and continued to actively serve as board members of NNOGC.
32. Ultimately, what I wish this Court to understand is that the Defendants, regardless of their belief as to their actual authority over NNOGC, are causing and will cause absolute irreparable harm to NNOGC by insisting to claim the authority to fire me and CEO Robert Joe. While both of us are highly qualified and will have no problems finding replacement work in any number of other Fortune 100 companies, the Defendants simply appear not to appreciate that their continued attempts to push us out, including their most recent attempt on June 24, 2014, will irreparably harm NNOGC’s reputation as an independent oil and gas business.

33. Moreover, the Defendants fail to recognize that their actions have contributed to an approximate \$42 million reduction to NNOGC's borrowing base under the Credit Agreement. Based upon my previous conversation with the Lenders' Administrative Agent and the terms of the Credit Agreement, I have no doubt that Defendants' recent attempts to reassert control and terminate me will lead to further reevaluation of NNOGC's borrowing capacity. It is likely that such reevaluation will lead to further downward adjustments to NNOGC's borrowing capacity.
34. I fear that if Defendants are not immediately enjoined, and the *status quo* not maintained for the time being, that NNOGC's entire credit line will be at risk. While NNOGC is able to accommodate the need to repay the deficiency amount of \$42,750,000 caused by the most recent reduction to its borrowing base, any further reduction resulting in a deficiency (or worse, cancellation resulting in immediate repayment of all outstanding amounts) might effectively be beyond the ability of NNOGC to absorb.
35. Additionally, if NNOGC loses its line of credit, or suffers a further reduction, it will likely hamper all future efforts of NNOGC's plan to continue its growth and expansion. It is unlikely that any other business partners or lenders, upon discovering the political difficulties caused by Defendants, would believe NNOGC is a safe risk for investment and business partnership.
36. I declare under the penalty of perjury that the foregoing is true and correct.

Executed on this 26th day of June, 2014.

By: 


REUBEN MIKE

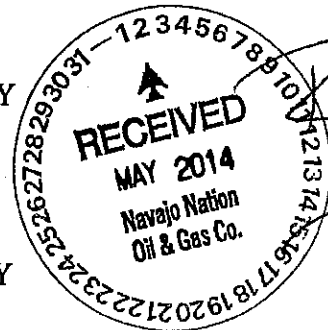
Exhibit A

Exhibit A

May 2, 2014

TO: REUBEN MIKE
NAVAJO NATION OIL AND GAS COMPANY

FR: 
LENNARD ELTSOSIE
CHAIRMAN OF THE BOARD
NAVAJO NATION OIL AND GAS COMPANY



RE: ADMINISTRATIVE LEAVE WITH PAY PENDING INVESTIGATION

The Navajo Nation Oil and Gas Company's Board of Directors met on January 21, 2014. After due deliberation, the Board terminated the employment agreement between the Company and Robert Joe, who had been serving as President and CEO, for just cause.

The Board met after obtaining advice from corporate counsel that the actions by Mr. Joe that culminated in the purported termination or suspension of the majority of the Board of Directors ("Majority Board") by the shareholder representatives on December 21, 2013 were contrary to the governing documents of the Company, and that the shareholder actions were not valid. That legal advice was subsequently supported by an opinion of the Navajo Nation Department of Justice.

Mr. Joe improperly initiated a lawsuit against the Majority Board in January 2014 in the Window Rock District Court. Yesterday, on May 1, 2014, the Navajo Nation Supreme Court ordered the Window Rock District Court to dismiss the case against the Majority Board members.

The Board of Directors has been effectively incapacitated over the past several months, and has thus been unable to perform its oversight role. There appear to have been extraordinary expenditures that may have been incurred to serve personal, rather than corporate interests. In such a circumstance, it is prudent that the Board look into these matters. In order that this can be accomplished without undue delay, and with no implication of wrongdoing on your part, you and several other employees will be placed on administrative leave with pay pending completion of an independent third-party audit of activities and expenditures during the past year. Although you will not be required to be in the office during the investigation, you must remain available and accessible during normal working hours to assist NNOGC in identifying and performing its obligations. In addition, in conformity with your duties to NNOGC you are required to cooperate fully and honestly in any such investigation. Your failure to do so will be grounds for disciplinary action, up to and including termination.

Thank you for your cooperation. Please do not hesitate to contact me with any questions about this memorandum.

Exhibit B

Exhibit B

Facsimile

Bailey Augusta Jones Pham bpham@velaw.com
Tel +1.214.220.7798 Fax +1.214.898.7798

From	Date:	Client/Matter No.
Bailey Pham	May 15, 2014	WEL554/52004
Regarding:	Number of Pages	Hard Copy Follows
Navajo Nation Oil and Gas Company regarding Authorized Representatives	4 (including cover page)	No

To:	Fax:	Phone:
Navajo Nation Oil and Gas Company	303.534.1405 928.871.4882	
Faegre Baker Daniels LLP Attention: Charles Bybee	303.607.3600	
Frye Law Firm, P.C. Attention: Paul E. Frye, Stella M. Scott and W. Gregory Kelly	505.296.9401	
Johnson Barnhouse & Keegan LLP Attention: Randolph Barnhouse, Jenny J. Dumas and Kelli J. Keegan	505.842.6124	
Navajo Nation Department of Justice Attention: Hon. Harrison Tsosie, Attorney General and Dana Bobroff, Deputy Attorney General	928.871.6177	
Wells Fargo Bank, National Association, as administrative agent Attention: Tim Green	303.863.5196	

Message:

Confidentiality Notice: The information contained in this FAX may be confidential and/or privileged. This FAX is intended to be reviewed initially by only the individual named above. If the reader of this TRANSMITTAL PAGE is not the intended recipient or a representative of the intended recipient, you are hereby notified that any review, dissemination or copying of this FAX or the information contained herein is prohibited. If you have received this FAX in error, please immediately notify the sender by telephone and return this FAX to the sender at the below address. Thank you.

Vinson & Elkins LLP Attorneys at Law
Abu Dhabi Austin Beijing Dallas Dubai Hong Kong Houston London
Moscow New York Palo Alto Riyadh San Francisco Tokyo Washington

Trammell Crow Center, 2001 Ross Avenue, Suite 3700
Dallas, TX 75201-2875
Tel +1.214.220.7700 Fax +1.214.220.7716 www.velaw.com

US 2502438v.1

Vinson & Elkins

Bailey Pham bpham@velaw.com
Tel 214.220.7700 Fax 214.999.7700

May 15, 2014

VIA TELECOPY (303-534-1405)/ (928-871-4882)

Navajo Nation Oil and Gas Company
1675 Broadway, Suite 1100
Denver, Colorado 80202

Re: Authorized Representatives

Ladies and Gentlemen:

We are writing regarding the Third Amended and Restated Credit Agreement dated as of July 2, 2012 (as amended, restated, supplemented or modified from time to time, the "Credit Agreement"), by and among Navajo Nation Oil and Gas Company, a Federally chartered Tribal business corporation formed pursuant to 25 U.S.C. § 477, and wholly-owned by the Navajo Nation (the "Borrower"), Wells Fargo Bank, National Association, in its capacity as administrative agent (the "Administrative Agent"), and the other financial institutions party thereto as lenders (the "Lenders"). Unless expressly defined herein or the context clearly requires otherwise, all defined terms shall have the meaning assigned to such terms in the Credit Agreement.

This firm represents the Administrative Agent in connection with matters related to the Credit Agreement and the other Loan Documents. The Administrative Agent has received additional information, documents and pleadings related to ongoing litigation proceedings, including Case No. SC-CV-25-14 in the Supreme Court of the Navajo Nation involving the Borrower (collectively, the "Proceedings"). These Proceedings call into substantial question which Borrower representatives have authority to take action with respect to matters under or in connection with the Credit Agreement, the other Loan Documents and the Bank Products. In order to fulfill its obligations under the Credit Agreement, the Administrative Agent must receive information demonstrating with certainty which officers, board members or other representatives are authorized to make decisions and take action on behalf of the Borrower with respect to the Credit Agreement, the other Loan Documents and the Bank Products.

Vinson & Elkins LLP Attorneys at Law
Abu Dhabi Austin Beijing Dallas Dubai Hong Kong Houston London
Moscow New York Palo Alto Riyadh San Francisco Tokyo Washington

Trammell Crow Center, 2001 Ross Avenue, Suite 3700
Dallas, TX 75201-2975
Tel +1.214.220.7700 Fax +1.214.220.7716 www.velaw.com

2494537v.3 WEL554/52004

V&E

May 15, 2014 Page 2

Please provide promptly to the Administrative Agent, with a copy to us, information sufficient to satisfy the Administrative Agent's concerns no later than 5:00 p.m. CST on Monday, May 19, 2014 (the "Specified Deadline"). The Administrative Agent, individually and on behalf of the Lenders and the other Secured Parties, reserves all of its rights and remedies under the Credit Agreement, the other Loan Documents and the Bank Products and will strictly enforce the terms and conditions of the Loan Documents. If the Administrative Agent does not timely receive satisfactory information, the Administrative Agent may be forced to take legal action to preserve its rights and remedies and receive guidance about its obligations, including without limitation seeking a declaratory judgment from a court of competent jurisdiction to confirm who is authorized to take actions under the Loan Documents and the Bank Products on behalf of the Borrower.

In addition, the Administrative Agent requests the opportunity to send one or more representatives to Window Rock, Arizona to meet with a representative of the Navajo Nation Council, or, to the extent this is not possible, to meet with a high-ranking official of the Navajo Nation who has knowledge of the matters with the Borrower and authority to direct the actions of the Borrower or its governing body. Please advise the Administrative Agent by the Specified Deadline of the name(s) of such person and convenient dates and times to have such a meeting with the Administrative Agent.

We look forward to hearing from you.

Very Truly Yours,


Bailey Pham

V&E

May 15, 2014 Page 3

cc: Faegre Baker Daniels LLP
Attention: Charles Bybee
Telecopy No. 303-607-3600

Frye Law Firm, P.C.
Attention: Paul E. Frye, Stella M. Scott and W. Gregory Kelly
Telecopy No. 505-296-9401

Johnson Barnhouse & Keegan LLP,
Attention: Randolph Barnhouse, Jenny J. Dumas and Kelli J. Keegan
Telecopy No. 505-842-6124

Navajo Nation Department of Justice
Attention: Hon. Harrison Tsosie, Attorney General and
Dana Bobroff, Deputy Attorney General
Telecopy No. 928-871-6177

Wells Fargo Bank, National Association, as administrative agent
Attention: Tim Green
Telecopy No. 303-863-5196

Exhibit C

Exhibit C



FACSIMILE TRANSMITTAL SHEET

TO: <u>Bailey Pham</u>	FROM: <u>Mervyn Lynch on behalf of Robert + Joe</u>
COMPANY: <u>Vinson & Elkins</u>	DATE: <u>5/16/14</u>
FAX NUMBER: <u>(214) 999-7798</u>	TOTAL NO. OF PAGES INCLUDING COVER: <u>3</u>
PHONE NUMBER:	SENDER'S PHONE NUMBER: <u>(928) 871-4880</u>
RE: <u>response to your letter</u>	SENDER'S FAX NUMBER: <u>(928) 871-4882</u>

☐ URGENT ☐ FOR REVIEW ☐ PLEASE COMMENT ☐ PLEASE REPLY

NOTES/COMMENTS:

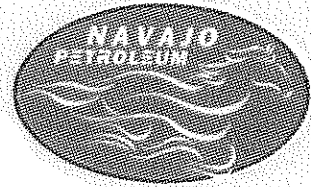
NAVAJO NATION OIL & GAS COMPANY, INC.
P.O. BOX, 4439
WINDOW ROCK, AZ 86515

NAVAJO NATION OIL & GAS COMPANY

A Federal Corporation

Post Office Box 4439 • Window Rock, Arizona • 86515

Telephone (928) 871-4880 • FAX (928) 871-4887



May 16, 2014

VIA TELECOPY (214) 999-7798

Bailey Pham, Esq.
Vinson & Elkins
Trammell Crow Center
2001 Ross Avenue, Suite 3700
Dallas, Texas 75201-2975

RE: Your May 15, 2014 letter to Navajo Nation Oil Gas Company

Dear Ms. Pham:

In response to the letter you sent yesterday we arranged to have the Speaker of the Navajo Nation Council and council delegates meet with the Lenders on Monday, May 19, 2014 at the offices of Navajo Nation Oil and Gas Company in Window Rock. Your letter asked for this meeting to confirm that the undersigned (with whom the Lenders have been dealing for nearly a year) are the current management of Navajo Nation Oil and Gas Company and continue to be the Borrower representatives with the authority to take action with respect to matters under or in connection with the Credit Agreement, the other Loan Documents and the Bank Products. The Administrative Agent specifically requested this meeting with a representative of the Navajo Nation Council.

We understand from our legal counsel, Johnson Barnhouse & Keegan LLP, that Tim Green from Wells Fargo was to be the person representing the Authorized Agent at the meeting that you asked us to organize. We learned today that no one from the Authorized Agent is available to attend the meeting on Monday that we had scheduled to address the concerns identified in your Thursday, May 15 letter. Please let us know what dates and times over the course of the next few weeks would work for the Authorized Agent so that we may reschedule the Monday meeting.

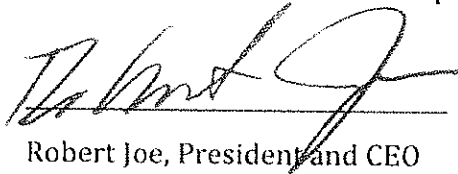
As to the other matters you raised in your letter, we have instructed NNOGC's legal counsel, Johnson Barnhouse & Keegan LLP, to provide you with any and all documentation you require to confirm that the sitting board approved just this year by the Navajo Nation Council continues to control the corporation, with Robert Joe as CEO and Reuben Mike as CFO.

In addition to the material you will be given on Monday, please be assured that we continue to be ready, willing and able to provide you with whatever information you need to address

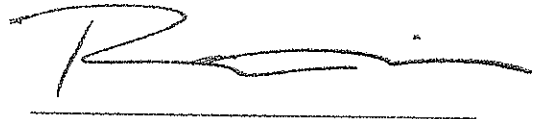
the concerns raised in your letter yesterday, and have instructed our legal counsel, Johnson Barnhouse & Keegan LLP, to work with you to make sure that any request for information is quickly and completely satisfied. Please feel free to contact either of us if any of the Lenders feels that their requests are not being promptly and fully addressed, or if you or any lender has any additional questions or concerns.

Sincerely,

Navajo Nation Oil and Gas Company



Robert Joe, President and CEO



Rueben Mike, CFO

Cc Ben Shelly, Office of the President & Vice-President
The Navajo Nation

LoRenzo Bates, Office of the Speaker
The Navajo Nation Council

Exhibit D

Exhibit D

Jrs

2014-06-09 17:28:35 CDT

12149887798 From: Bailey Pham



Wells Fargo Energy Group
Oil & Gas Division - Denver
MAC C7300-061
1700 Lincoln St. 8th floor
Denver, CO 80203

wellsfargo.com

June 9, 2014

SENT VIA REGULAR AND CERTIFIED MAIL
RETURN RECEIPT REQUESTED, AND FACSIMILE
AT (928-871-4882)

Navajo Nation Oil and Gas Company
P.O. Box 4439
Window Rock, Arizona 86515

Re: Scheduled May 1st 2014 Semi-Annual Borrowing Base Redetermination under the Third Amended and Restated Credit Agreement dated as of July 2, 2012, by and among Navajo Nation Oil and Gas Company, a Federally chartered Tribal business corporation formed pursuant to 25 U.S.C. § 477, and wholly-owned by the Navajo Nation (the "Borrower"), Wells Fargo Bank, National Association, in its capacity as administrative agent (the "Administrative Agent"), and the other financial institutions party thereto as lenders (the "Lenders"), as amended by that certain First Amendment to Credit Agreement dated as of December 7, 2012 and that certain Second Amendment to Credit Agreement and First Amendment to Existing Guaranty Agreement dated as of December 5, 2013 (as may be further amended, restated, supplemented or modified from time to time, the "Credit Agreement"); unless otherwise defined herein or the context clearly requires otherwise, all capitalized terms used herein which are defined in the Credit Agreement shall have the meaning assigned to such terms in the Credit Agreement.

Ladies and Gentlemen:

Pursuant to Section 2.07(c)(iii) of the Credit Agreement, please be advised that the Required Lenders have approved the proposed Borrowing Base of \$110.0 million (the "Proposed Borrowing Base") in connection with the May 1st Scheduled Redetermination of the Borrowing Base, and the new Borrowing Base is hereby designated to be \$110,000,000. This results in a Borrowing Base deficiency in the amount of \$42,750,000. Please advise the Administrative Agent of your written election under Section 3.04(c)(ii) of the Credit Agreement to remedy this deficiency within ten (10) days after the date of this letter as required by the Credit Agreement.

As of June 4, 2014, BOKF, NA dba Bank of Oklahoma, U.S. Bank National Association, Union Bank, N.A. and Citibank, N.A. had not approved the Proposed Borrowing Base. Therefore the Administrative Agent polled the Lenders as required by Section 2.07(c)(iii) of the Credit Agreement which resulted in the approval of the Proposed Borrowing Base.

2657251v.2 WEL554/52004

Together we'll go far

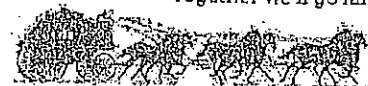


Exhibit "A"

RECEIVE:

NO. 3820

06/09/2014/MON 04:25PM

3

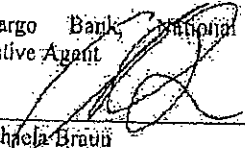
2014-06-09 17:28:35 EDT

12149997798 From: Bailey Pham

Please call the undersigned with any questions you may have regarding the foregoing.

Very truly yours,

Wells Fargo Bank, National Association, as
Administrative Agent

By: 
Name: Michaela Braun
Title: Director

cc:

Faegre Baker Daniels LLP
1700 Lincoln Street
3200 Wells Fargo Center
Denver, Colorado 80203
Attention: Charles Bybee
(Telecopy No. 303-607-3600)

Frye Law Firm, P.C.
10400 Academy Road NE
Suite 310
Albuquerque, New Mexico 87111
Attention: Paul E. Frye
Telecopy No. 505-296-9401

Johnson Barnhouse & Keegan LLP,
7424 4th Street NW
Los Ranchos, NM 87107
Attention: Randolph Barnhouse
Telecopy No. 505-842-6124

Lenders (by posting)

2657251v.2 WEL554/32004

RECEIVE:

NO. 3820

06/09/2014/MON 04:25 PM

Exhibit E

Exhibit E

From: Reuben Mike <rmike@[REDACTED]>
Subject: Request from Interim CEO
Date: June 23, 2014 at 8:56:11 AM MDT
To: "carlos_duno@[REDACTED]" <carlos_duno@[REDACTED]> "sandedly@[REDACTED]"
<sandedly@[REDACTED]> "francestotsoni@[REDACTED]" <francestotsoni@[REDACTED]>,
"perryinwr@[REDACTED]" <perryinwr@[REDACTED]> "sting_ra@[REDACTED]"
<sting_ra@[REDACTED]> "eltsosiel@[REDACTED]" <eltsosiel@[REDACTED]> "hatathlie_j@[REDACTED]"
<hatathlie_j@[REDACTED]> "DBenally@[REDACTED]" <DBenally@[REDACTED]>
Cc: Paul Frye <pef@[REDACTED]> R D Ickes <ickes6@[REDACTED]> "Michael Upshaw
(mupshaw@[REDACTED])" <mupshaw@[REDACTED]> "cheryl_j7299@[REDACTED]"
<cheryl_j7299@[REDACTED]> "sethdamon@[REDACTED]" <sethdamon@[REDACTED]>,
"russellbegave@[REDACTED]" <russellbegave@[REDACTED]> "melrbegay@[REDACTED]"
<melrbegay@[REDACTED]> "ltnncd@[REDACTED]" <ltnncd@[REDACTED]> Merv Lynch
<mlynch@[REDACTED]>

Board Members:

Given the legal opinion rendered by the Navajo Nation Supreme Court on Friday, specific to Case No. SC-CV-25-14, the company (NNOGC) acknowledges that "the five directors were not validly suspended or removed on December 21, 2013" and "continue to actively serve without interruption prior to and following December 21, 2013."

Our adherence to this ruling is not at issue; however, as Interim CEO, I am respectfully requesting individual board members to refrain from attempts to disrupt or intervene with daily operations. I recognize the authority of the board as a group, as opposed to an individual (or individuals); therefore, any company-related changes or direction made from the board need to come from the collective members.

We will move to call a special board meeting very soon. In the meantime; however, I ask that we all respect our staff by allowing them to continue with their responsibilities. To ensure the protection of staff and company property, I will not be allowing individuals board members access to the corporate office without a signed court order. Again, this is just a precautionary measure, which I do for the protection of all individuals and to ensure that civility and peace is maintained during this transition.

Respectfully,

Reuben Mike
Interim CEO
Navajo Nation Oil & Gas Company
Voice: (928) 871-4880, Ext. 503

Exhibit F

Exhibit F



Navajo Nation Oil and Gas Company
P. O. Box 4339
Window Rock, Arizona 86515

June 23, 2014

Mr. Rueben Mike
P. O. Box 724
Saint Michaels, AZ 86511

Dear Mr. Mike:

On May 2, 2014, the Board of Directors placed you on Administrative Leave With Pay pending an investigation. The Chairman of the Board personally handed you the notice, and you personally acknowledged receipt of such notice. Yet, you continued to act as the CFO/Vice President of Finance Navajo Nation Oil and Gas Company ("NNOGC"), which office you assumed without prior approval of the Board of Directors as required by Article XXII(A) and (G) of the NNOGC Federal Charter of Incorporation ("Charter"). Most recently, you have issued directives to the employees and Board even though you have no authority to do so. The Board will consider those as *ultra vires* acts and take any and all proper and necessary legal action to prevent you from taking further similar actions.

The Board of Directors has terminated your employment with the Navajo Nation Oil and Gas Company ("NNOGC") with just cause for breach of fiduciary duty to act in good faith, breach of fiduciary duty of loyalty, serious misconduct, abuse of office, disrespectful conduct and insubordination. See the attached resolution of the Board of Directors. The Board of Directors has also removed you as Secretary/Treasurer of NNOGC pursuant to Article XII(F) of the Charter and section 6.4(b) of the Bylaws for the same reasons. The termination of your employment and removal as Treasurer/Secretary of NNOGC are effective immediately. You are prohibited from holding yourself out or acting as the CFO/Vice President of Finance of NNOGC from the date of this notice. You are further prohibited from stating that you ever held such position on your resumé or any other employment document.

Please vacate immediately your corporate office in St. Michaels, Arizona and leave the following items with Merv Lynch or Dianne Nakai upon your departure: (1) all keys to the company vehicle and corporate office, (2) access codes or passwords to the company computers and other electronic equipment, (3) company vehicle, (3) laptop computer, (4) mobile telephone and (5) any and all other company property.

You are prohibited from accessing or using any email accounts or other means of electronic or written communications connected or related to NNOGC. You are also prohibited from removing, erasing, destroying or disabling in any manner information, documents or other property of NNOGC, including without limitation electronic files or communications.

Sincerely,

A handwritten signature in black ink, appearing to read "LEONARD ELTSOSIE".

Leonard Eltsosie
Chairman of the Board

Enclosure:

xc: Louis Denetsoie
Chief Executive Officer

**RESOLUTION OF THE
BOARD OF DIRECTORS OF THE
NAVAJO NATION OIL AND GAS COMPANY**

Removing Rueben Mike as Secretary/Treasurer of the Navajo Nation Oil and Gas Company With Just Cause and Terminating Rueben Mike's Employment with the Navajo Nation Oil and Gas Company With Just Cause

WHEREAS:

1. The Navajo Nation Oil and Gas Company ("NNOGC" or "Corporation") is a wholly owned corporation of the Navajo Nation organized under section 17 of the Indian Reorganization Act, as amended, and charged with developing and operating a profitable integrated oil company for the benefit of the Navajo Nation; and
2. On August 30, 2013, Rueben Mike was elected as the Treasurer/Secretary of the corporation on temporary basis until a permanent controller was hired and duly elected as Secretary/Treasurer; and
3. Rueben Mike has assumed the position of Interim CFO without prior approval from the Board of Directors ("Board"), as required by Article XII(G) of the NNOGC Federal Charter of Incorporation ("Charter"), and should not represent after the effective date of this resolution that he has held such position; and
4. On May 2, 2014, Rueben Mike prevented the Chairman of the Board and another Board member from distributing memoranda at the NNOGC Corporate Headquarters in St. Michaels, Arizona to employees, generally explaining the latest events surrounding the NNOGC litigation and status of the former CEO, and placing certain employees on paid administrative leave pending an investigation; and
5. On the same date, Rueben Mike locked down the Corporate Headquarters to prevent the Board members from re-entering the building after lunchtime; and
6. The Board has determined that Rueben Mike should be removed as Secretary/Treasurer of NNOGC for just cause for the following infractions:
 - a. Breach of Fiduciary Duty to Act in Good Faith (i.e., duty to act honestly and deal fairly). See Charter XIII(A)(1) and Bylaws 6.4(b).
 - b. Breach of Fiduciary Duty of Loyalty (i.e. duty to act in good faith and in the best interest of the corporation). See Charter XIII(A)(1) and Bylaws 6.4(b).
 - c. Serious misconduct: abuse of office, disrespectful conduct and insubordination. See Bylaws 6.3 and 6.4(b); NNOGC Employee Handbook (Jan. 1, 2000) Section II(D)(1), and NNOGC Policies & Procedures No. 133.
7. The Board has also determined that Rueben Mike should be terminated from his employment for just cause for the following infractions:
 - a. Breach of Fiduciary Duty to Act in Good Faith (i.e., duty to act honestly and deal fairly). See Charter XIII A(1) and Bylaws 6.4(b).

- b. Breach of Fiduciary Duty of Loyalty (i.e. duty to act in good faith and in the best interest of the corporation). See Charter XIII A(1) and Bylaws 6.4(b).
- c. Serious misconduct: abuse of office, disrespectful conduct and insubordination. See Bylaws 6.3 and 6.4(b); NNOGC Employee Handbook (dated Jan. 1, 2000) II(D)(1) and NNOGC Policies & Procedures No. 133.

8. The Board deems it in the best interest of NNOGC to remove Reuben Mike as Treasurer/Secretary of NNOGC for just cause and to terminate Reuben Mike's employment with NNOGC for just cause; and

9. Although action on this resolution is necessary in the best interest of NNOGC, the present uncertainty concerning the proper composition of the Board militates in favor of delaying the effectiveness of this resolution until the Navajo Nation Supreme Court or other court of competent jurisdiction confirms expressly or by reasonable implication that no member of the Board has been validly removed or suspended from December 1, 2013 to the present.

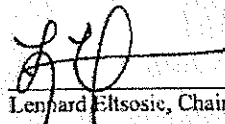
NOW THEREFORE BE IT RESOLVED THAT:

1. The Board of Directors of the Navajo Nation Oil and Gas Company hereby removes Reuben Mike as Treasurer/Secretary of NNOGC for just cause, and hereby terminates Reuben Mike from employment with the Navajo Nation Oil and Gas Company for just cause, as set forth in Whereas Clauses Nos. 6 and 7 above.

2. This resolution shall not become effective and shall not be disseminated until and unless the Navajo Nation Supreme Court or other Navajo court of competent jurisdiction rules expressly or by reasonable implication that no member of the Board of Directors has been validly removed or suspended from December 1, 2013 to the present.

CERTIFICATION

I hereby certify that the foregoing resolution was considered by the Board of Directors of the Navajo Nation Oil and Gas Company, at a duly called meeting at which a quorum was present in Albuquerque, New Mexico and that the same was passed by vote of 5 in favor, 0 opposed and 0 abstained, this 7th day of June, 2014.


Lenhard Eltsosie, Chairman

Attest:

Mae-Gilene Begay, Secretary

Exhibit 7

Exhibit 7

IN THE DISTRICT COURT OF THE NAVAJO NATION
FOR THE JUDICIAL DISTRICT OF WINDOW ROCK, ARIZONA

Navajo Nation Oil and Gas Company,

Plaintiff,

vs.

Mae-Gilene Begay, Diandra Benally,
Lennard Eltsosie, Jennifer Hatathlie
and Nelson Toledo,

Defendants.

Case No. WR-CV-32-14

ORDER

THIS MATTER came before the court for hearing at 11:30 a.m. on January 31, 2014; present in Court were representatives from the Frye Law Firm and the Johnson Law Firm, as well as Brian Lewis, Esq., Jim Ledbetter, Esq., Henry S. Howe, Esq., Mr. Robert Joe, and Defendants Mae-Gilene Begay, Diandra Benally, Lennard Eltsosie, Jennifer Hatathlie and Nelson Toledo; having been advised that the parties have met and come to an agreement concerning the various matters before the Court, and being otherwise fully advised in the premises, the **COURT FINDS** good grounds for the entry of an order as set forth herein.

IT IS THEREFORE ORDERED THAT:

1. The Navajo Nation is granted leave to intervene in this matter, and shall be designated as an Intervenor herein.

2. The Temporary Restraining Order entered herein on January 17, 2014 is modified as follows:

- a. The present management of NNOGC, its extant and purportedly removed Directors, and its Shareholder Representatives are enjoined from taking any action concerning NNOGC except such action as is consistent with the provisions set forth herein.
- b. Until such time as a Special Master begins his duties as set forth below, NNOGC shall carry on its day-to-day corporate affairs under

1 the direction of its current CEO, Mr. Robert Joe, limited to the
2 routine activities that would reasonably be considered to have been
3 approved by NNOGC's Board of Directors prior to December 21,
4 2013.

5 . c. The Board of Directors and the Shareholder Representatives shall not
6 meet or take official action in those capacities unless such meeting is
7 agreed to by the parties or requested by the Special Master.

8 d. The point of contact for Wells Fargo Bank regarding any concerns
9 related to the Third Amended and Restated Credit Agreement, shall
10 be Henry S. Howe, counsel for Intervenor.

11 e. Subject to further instruction from Henry Howe, counsel for
12 Intervenor, for any account on which Robert Joe had or has signatory
13 authority, said authority is continued or restored.

14 f. The parties, the Shareholders, and their respective legal counsel are
15 directed to meet with representatives from the Office of the Speaker
16 of the Navajo Nation Council, the Office of the Navajo Nation
17 President and Vice-President, and the Office of the Attorney General
18 of the Navajo Nation to attempt to structure a resolution of the issues
19 brought forth herein that will bring stability to the management and
20 operation of NNOGC.

21 g. If the parties are unable to agree on such a resolution by February 21,
22 2014, then this Court will appoint a Special Master to be
23 compensated by NNOGC. The duties of the Special Master shall be
24 to:

- 25 i. Retain or hire such qualified individuals and law firms as the
26 Special Master deems necessary to assist in managing the
27 affairs of the corporation *pendente lite*;
-- ii. Retain such qualified individuals as the Special Master deems

1 necessary to investigate the financial and other dealings of
2 NNOGC for the past three years, and to report on the results
3 of that investigation to the Special Master and the Office of
4 the Attorney General;

5 iii. While that investigation is ongoing, place such corporate
6 employees as the Special Master deems necessary or
7 appropriate on paid investigatory leave;

8 iv. Make recommendations to the Court and to the offices
9 specified above as to what actions should be taken to promote
10 the credibility, viability and profitability of NNOGC.

11 h. The Office of the Attorney General shall identify one or more persons
12 who are suitable by temperament, experience and availability to serve
13 as Special Master. If the parties are then unable to agree as to the
14 person who will be designated by the Court to serve as Special
15 Master, the OAG shall ask this Court to hold a hearing for that
16 purpose.

17 3. The Court has been advised that all parties have reserved the right to seek judicial
18 resolution of the matters that have been raised herein. Therefore the Court will retain jurisdiction
19 over this matter until such time as the parties file a Stipulated Notice of Dismissal, or ask the Court
20 to set a hearing at a later date and time.

21 
22

23 District Judge
24 Window Rock District
25
26
27

Submitted by:

Henry S. Howe

Paul E. Frye

James E. Ledbetter

Randolph Barnhouse

Brian L. Lewis

Exhibit 8

Exhibit 8

No. SC-CV-25-14

NAVAJO NATION SUPREME COURT

Navajo Nation Oil and Gas Company,
Petitioner,

v.

Window Rock District Court,
Respondent,

and

Robert Joe,
Real Party in Interest.

PERMANENT WRIT OF PROHIBITION

Before YAZZIE, H., Chief Justice, SHIRLEY, E., Associate Justice, and LIVINGSTON, L., Associate Justice, by designation.

An original action for a writ of prohibition against Window Rock District Court concerning Cause No. WR-CV-32-14, the Honorable Carol Perry, presiding.

Paul E. Frye, Stella M. Scott, and W. Gregory Kelly, Albuquerque, New Mexico, for Petitioners; Robyn Neswood, Window Rock, Navajo Nation, for Respondent; Johnson Barnhouse & Keegan, Albuquerque, New Mexico, for Real Party in Interest; Brian L. Lewis, Gallup, New Mexico, for Defendants in the Underlying Action; Paul Spruhan, Navajo Nation Department of Justice, Window Rock, Navajo Nation, for The Navajo Nation; R. Dennis Ickes, Salt Lake City, Utah, and Michael P. Upshaw, Scottsdale, AZ for Russell Begaye, Mel Begay, Charles Damon, and Kenneth Maryboy as Shareholder Representatives of the Navajo Nation Oil and Gas Company.

TO: Window Rock District Court

RE: *Joe v. Window Rock District Court*, Cause No. WR-CV-32-14

A petition for an extraordinary writ has been filed with this Court seeking the dismissal of Cause No. WR-CV-32-14. Pursuant to this Court's authority to issue necessary and proper writs, 7 N.N.C. § 303, a permanent writ of prohibition is hereby issued.

Before a court can hear a matter, it must have personal and subject matter jurisdiction at the filing of the action. *E.g., Navajo Nation v. Kaventa Dist. Ct.*, No. SC-CV-50-13, slip op. at 4

(Nav. Sup. Ct. March 5, 2014) (citing *Nav. Transp. Serv., Inc. v. Schroeder*, No. SC-CV -44-06, slip op. at 3 (Nav. Sup. Ct. April 30, 2007)). We have thus stated that "when jurisdiction has not yet been determined, a matter is not properly before a court; therefore the court lacks authority to sit in judgment over any portion of the matter. ..." *Begay v. Nav. Eng 'g and Constr. Auth.*, No. SC-CV -44-08, slip op. at 5 (Nav. Sup. Ct. July 22, 2011).

Plaintiff, in the underlying complaint, Cause No. WR-CV-32-14, sought to enjoin Diandra Bcnally, Lennard Eltsosic, Mae-Gilene Begay, Jennifer Hatathlic, and Nelson Toledo from holding themselves out as members of the Board of Directors of the Navajo Nation Oil and Gas Company (NNOGC), alleging actions taken by the Shareholder Representatives properly removed them. However, by the Plaintiff's own assertion – at the time of the filing of the Complaint – three of the five named defendants were not removed, but "suspended until reinstated or replacement seated." Verified Complaint, ¶ 13 (January 17, 2014). The Court hereby finds that these unremoved members are cloaked with the protection of the Navajo Sovereign Immunity Act (Act). 1 N.N.C. § 555 et seq. (2005).


The notice requirement of the Act is a *jurisdictional condition precedent*, and the court lacked authority to proceed in this case without proof of compliance. 1 N.N.C. § 555. Specifically, the Plaintiff failed to fulfill several requirements concerning notice to Navajo Nation officials. 1 N.N.C. 555(A).

We hereby find the Respondent Court lacked jurisdiction over Cause No. WR-CV-32-14. Because of the Respondent Court lacked jurisdiction, the January 17, 2014 Temporary Restraining Order and the January 31, 2014 Order are invalid and of no legal force or effect at the moment of issuance.

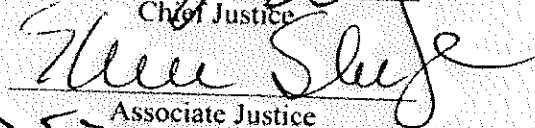
While the issuance of this Order results in the dismissal of the underlying action, the parties are encouraged to engage in further discussion to reach a resolution that preserves the public trust.

For the above reasons, it is ORDERED that the permanent writ of prohibition is granted. The Window Rock District Court shall vacate all orders in Cause No. WR-CV-32-14 and dismiss the case immediately.

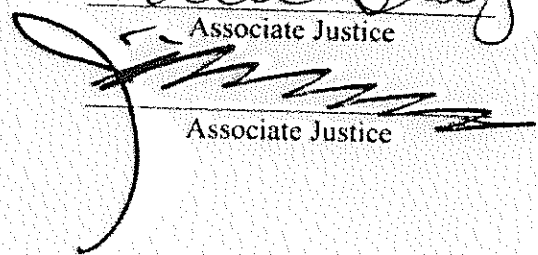
Dated this 1st day of May, 2014.



Chief Justice



Associate Justice



Associate Justice

Exhibit 9

Exhibit 9

No. SC-CV-25-14
NAVAJO NATION SUPREME COURT

Navajo Nation Oil and Gas Company,
Petitioner,

v.

Window Rock District Court,
Respondent,

and

Robert Joe,
Real Party in Interest.

OPINION

Before YAZZIE, H., Chief Justice, SHIRLEY, E., Associate Justice, and LIVINGSTON, L., Associate Justice by designation.

An action for issuance of a writ of prohibition against Window Rock District Court concerning Cause No. WR-CV-32-14, the Honorable Carol Perry, presiding.

Paul E. Frye, Stella M. Scott, and W. Gregory Kelly, Albuquerque, New Mexico, for Petitioners; Robyn Neswood, Window Rock, Navajo Nation, for Respondent; Johnson Barnhouse & Keegan LLP, Albuquerque, New Mexico, for Robert Joe, Real Party in Interest; Brian L. Lewis, Gallup, New Mexico, for Defendants in the Underlying Action; Paul Spruhan, Navajo Nation Department of Justice, Window Rock, Navajo Nation, for The Navajo Nation; R. Dennis Ickes, Salt Lake City, Utah and Michael P. Upshaw, Scottsdale, Arizona for Russell Begaye, Mel Begay, Charles Damon, and Kenneth Maryboy as Shareholder Representatives of the Navajo Nation Oil and Gas Company.

This matter comes before the Court on Motion for Additional Clarifying Opinion filed on May 9, 2014 in an action for writ of prohibition involving an internal conflict in the Navajo Nation Oil and Gas Company (NNOGC) between two parties both filing through different law firms under the corporate name. This Court issued a Permanent Writ of Prohibition to the



Window Rock District Court on May 1, 2014. Petitioner now seeks a supplemental decision to clarify the basis for our Writ and to provide finality to the internal issues in the NNOGC.

In the writ action, petitioner is represented by the Frye Law Firm (Frye) and is captioned "NNOGC" while the real party in interest (RPI) is represented by the law firm of Johnson Barnhouse & Keegan LLP (Barnhouse) and captioned "Robert Joe," however, in all his responses, Robert Joe refers to himself as "NNOGC." Both sides in a court action cannot be the same entity. The writ is directed to the respondent Window Rock District Court. Four out of five shareholder representatives of NNOGC intervened in support of Robert Joe. Five members of the Board of Directors (directors) intervened in support of the petitioner. Amicus Louis Denetsosie, former NNOGC CEO and Attorney General of the Navajo Nation, was granted leave to file a brief. The Navajo Nation, through the Department of Justice, also intervened.

BACKGROUND

The internal conflict concerns the right of certain individuals in positions of authority within NNOGC to continue making decisions in those positions. Both sides claim that the other side lacks authority to pursue litigation in the corporate name due to suspension, firing or removal. The undisputed facts show that there was a meeting of shareholder representatives on December 21, 2013. After this meeting, Barnhouse informed the five directors that two had been removed and three suspended by vote of majority shareholder representatives. Specifically, four out of five shareholder representatives voted to suspend or remove, with Leonard Tsosie objecting.¹ On January 16, 2014, the Navajo Nation Department of Justice (NNDJ), providing a legal memorandum on the suspensions and removals, raising concerns with the validity of the shareholder representatives' action due to noncompliance with procedural requirements required

¹ Shareholder representative and Council Delegate Leonard Tsosie consistently objected "to the improper manner of calling and conducting the meeting." Declaration of Leonard Tsosie at ¶5, Pet'r's Br., Ex. R.

to ensure due process and strongly encouraged that the shareholder representatives rescind their action and follow the steps set in the Bylaws of the Corporation.² On January 17, 2014, Robert Joe filed in the corporate name for an injunction in the Window Rock District Court, seeking to prevent the five directors from holding a scheduled January 21, 2014 Board meeting at which the removal of Robert Joe as CEO was on the agenda. Robert Joe's complaint stated that the five directors lacked authority to hold the meeting due to their suspension or removal, and that unless the meeting was prevented, further harm would result to NNOGC, at which the district court immediately issued an *ex parte* temporary injunction against the five directors. Robert Joe did not refer to the NNDOJ's legal memorandum and did not set forth sovereign immunity as a jurisdictional basis in its statement of jurisdiction.

Petitioner, also filing in the corporate name, moved to dismiss the complaint on the basis that Barnhouse lacked due authority to file in the corporate name. The five directors filed third-party counterclaims against Robert Joe seeking declaratory and injunctive relief and damages. Subsequently, the NNDOJ brokered a stipulation that was signed by all and entered by the court as a stipulated order. Various motions, including a dismissal motion by the directors and motion to intervene by the shareholder representatives, were then submitted, whereupon petitioner applied to this Court for a writ of prohibition claiming lack of subject matter jurisdiction under the Navajo Sovereign Immunity Act (NSIA). The shareholder representatives, the five directors, and the Navajo Nation through the NNDOJ filed responses to the petition. While the *ex parte* injunction was being challenged, the Board Meeting scheduled for January 21, 2014 proceeded, resulting in a Board resolution to remove Robert Joe as CEO.

Immediately following oral argument on May 1, 2014, this Court issued a succinct three-page Permanent Writ of Prohibition pursuant to our 7 N.N.C. § 303 authority to issue necessary

² This memorandum was filed under seal.

and proper writs, invalidating all orders issuing from the district court on the basis of non-compliance with jurisdictional condition precedents required for immunities arising under the NSIA and further ordering dismissal of the underlying complaint filed by Robert Joe in the district court. In the Court's decision, the parties were "encouraged to engage in further discussion to reach a resolution that preserves the public trust." *Permanent Writ of Prohibition*, at 3 (Nav. Sup. Ct. May 1, 2014). Having found that the trial court lacked jurisdiction, we remained cognizant that there was a desperate need for a remedy, and that it be provided quickly. In our view, the individuals who make up the various corporate organs in this case are in positions of a *naata'anii* as caretakers of assets of immense value to the Navajo People and, therefore, understand their duty of trust and responsibility to engage in reasonable collaborative settlement in the best interest of the corporation. This responsibility is not fully performed if the *naata'anii* immediately resort to lawyers, who due simply to the nature of that adversarial profession, frequently find barriers to resolutions that require compromise.

On May 9, 2014, petitioner filed a motion for additional clarification, informing this Court that efforts of the five directors to convene meetings in their official capacity have been thwarted and they have not been allowed to function as directors pending a compromise. Petitioner asserts that the parties are confused as to their status in NNOGC due to unclear language in the writ, and additionally, that nothing is being done on the counterclaims. The parties are also confused on basic questions such as the effect of the writ of prohibition on the validity of the December 21, 2013 shareholder representatives' vote to remove or suspend the five directors; who is NNOGC's counsel; and whether Robert Joe is CEO following the Board's January 21, 2014 meeting. Parties, intervenors, and amicus submitted responses that confirm the total breakdown in internal corporate communications. Untimely responses by parties were not

accepted. A variety of other pleadings were also submitted seeking to strike pleadings of other parties, asking for reconsideration of untimely pleadings, or otherwise requesting relief beyond clarification of the jurisdictional issue. These are summarily denied.

This case is one more example the Court has seen of individuals in official positions enmeshed in conflict over authority and position rather than acknowledge that public officials are all trustees. The authority exercised in a public trust is not the right of any individual in an office of authority, but the right of the people. The parties presented multiple issues to this Court rather than deal with each other *naata'anii* to *naata'anii* as we instructed in our permanent writ. This Court will re-frame the issues presented by the motion and responses inasmuch as we are able to resolve them under our authority over original writ actions, and according to our duty to protect a valuable public asset. There is no doubt that the parties are in a quagmire, and a way must be found out of it, because of the valuable tribal assets that must be protected.

Having reviewed the motion and all timely responses, the Court accepts petitioner's motion under N.R.C.A.P. 6 solely as a motion requesting clarification of the basis and effect of the writ. Additionally, because no two parties may claim the same identity before our courts, we are obliged to sort out the identities of the parties.

BASIS FOR WRIT OF PROHIBITION

The NNOGC is incorporated under Section 17 of the Indian Reorganization Act ("IRA") by which a tribe may petition the Secretary of the Interior to issue a Federal Charter of Incorporation effective upon ratification by the tribe's governing body.³ NNOGC's corporate Charter was ratified on February 5, 1998 by Resolution No. CF-22-98 of the Navajo Nation Council. Pet'r's Br., Ex. B., April 16, 2014 (hereinafter Charter). A plain reading of NNOGC's corporate Charter shows the Council's clear intent that sovereign immunity under the NSIA fully

³ See 25 U.S.C. § 477

protect the corporation and its directors as a Navajo Nation instrumentality, with any waiver of immunity “to sue or be sued,” or even to engage in mediation or settlement, possible only after fulfillment of specific conditions. Charter, Art. VIII(K) and XVI(A)-(D). It is well-established that notice requirements at 1 N.N.C. § 555 are “jurisdictional condition precedents” for any claim for which immunity is waived under the NSIA. *See Chapo v. Navajo Nation*, 8 Nav. R. 447, 456 (Nav. Sup. Ct. 2004), cited and analyzed in *Judy v. White*, 8 Nav. R. 510, 532 (Nav. Sup. Ct. 2004) (pre-action notice requirements are jurisdictional). In *Judy*, we also stated that “[i]t is without question that our government cannot be sued except by its expressed consent. The Navajo Sovereign Immunity Act is the expression of that consent. It provides the means and manner by which suit will be brought against the sovereign . . . limits suits against the sovereign to certain subject matters, [and] sets strict procedural preconditions to suit . . .” *Judy*, 8 Nav. R. at 532-533. While *Chapo* addressed notice as set forth at 1 N.N.C. § 555(A), the notice conditions set forth in NNOGC’s Council-ratified Charter are equally jurisdictional in effect.

The Charter expressly provides that NNOGC “is an instrumentality of the Navajo Nation and is entitled to all of the privileges and immunities of the Navajo Nation . . . including but not limited to the Navajo Sovereign Immunity Act at 1 N.N.C. § 551 *et seq.*” Charter, Art. XVI(A). The corporation has the power to waive immunity in order “[t]o sue or be sued in its corporate name to the extent provided in Article XVI of [the] Charter, and to that extent only.” Charter, Art. VIII(K). Thus, it cannot be more clear that the waiver conditions must be completely fulfilled. Pursuant to Article XVI(A), “[t]he Corporation and its directors, officers, employees and agents while acting in their official capacities are immune from suit.” Their immunities may be waived to sue and be sued and “to consent to alternative dispute resolution mechanisms . . . or to suit” upon fulfillment of two conditions precedent: (a) upon express agreement by the Board

of Directors prior to the time any alleged cause of action accrues; and (b) “[a]ny waiver . . . shall be in the form of a resolution duly adopted by the Board of Directors, upon thirty (30) days written notice to the Navajo Nation Council of the Board’s intent to adopt the resolution.” See Charter, Art. XVI(B); Art. XVI(A); Art. XVI(D). The wording that notice must be provided to the Council, rather than to the Navajo Nation owner/shareholder, makes it clear that this is a governmental notice requirement and, therefore, jurisdictional. The waiver conditions apply both to initiation of and submission to suits, as any suit, even initiated by the NNOGC, opens up the instrumentality to counterclaims.⁴

In this case, the district court lacked subject matter jurisdiction over the underlying complaint for the following reasons. Firstly, due to the absence of a 30-day notice to the Council followed by a duly adopted Board resolution, authorizing suit by the Corporation, waiving the immunity of its directors, and consenting to any settlement talks brokered by the NNDOJ. Secondly, due to the lack of compliance with the notice requirements set forth in the NSIA itself at 1 N.N.C. § 555. For the above reasons, the filing of the complaint must be taken as an *ultra vires* act of Robert Joe and not by NNOGC in its corporate name.

Two issues were raised by the district court and Robert Joe: (a) that subject matter jurisdiction defenses were waived upon the signing of the stipulated order; and (b) that the directors having been suspended or removed were not protected by immunity.

Firstly, jurisdictional condition precedents under the NSIA are absolute in order for immunity waivers to be valid. See *Judy*, 8 Nav. R at 532. The parties lacked authority to sign the

⁴ See *Navajo Nation v. RJN Constr. et al*, No. SC-CV-13-11, slip op at 13-14 (Nav. Sup. Ct. Jan. 17, 2012) (permitting counterclaim against the Navajo Nation without advance notice formalities); and see, e.g., *Ruppenthal v. State*, 849 P.2d 1316 (Wy. Su. Ct. 1993) (providing that a claim otherwise barred by sovereign immunity may be asserted as counterclaim in government-initiated lawsuit if it arises out of same transaction or occurrence that is subject matter of the state’s claim).

stipulated order due to Robert Joe's non-compliance with the 30-day Council notice followed by express agreement of the Board through a duly adopted resolution.

As we stated: "When jurisdiction has not yet been determined, a matter is not properly before a court; therefore the court lacks authority to sit in judgment over any incompletely or in portion of the matter . . . " *Begay v. Nav. Eng'g and Constr. Auth.*, No. SC-CV-44-08, slip op. at 5 (Nav. Sup. Ct. July 22, 2011). Therefore, the stipulated order stating it "will retain jurisdiction over this matter," and all prior orders of the district court, were invalid due to jurisdictional deficiencies. Order at ¶ 2(b), Resp't Resp. to Writ of Prohibition, Ex. A, (W.R. Dist. Ct. January 31, 2014).

As to the suspension or removal status of the five directors, we again look to the Charter and Bylaws of the Corporation. From these governing documents it is clear that "[u]nless a Board member is removed or resigns or otherwise vacates his or her position as a board member, such Board member shall serve as such, and be entitled to all of the rights . . . of a Board member." Charter, Art. III (as amended by Res. No. 194 of the Board of Directors on January 27, 2013); Bylaws, § 3.3, Pet'r's Br., Ex. G. Therefore, the three directors who are merely suspended remain protected by their immunity rights. The court lacked subject matter jurisdiction over suits against the suspended directors due to jurisdictional notice deficiencies pursuant to 1 N.N.C. § 555.

The examination does not end there. The removal status of two directors as well as the suspension status of the above three directors are heavily contested in this case by Robert Joe and the shareholder representatives, with the NNDOJ having voiced its concerns over their validity on January 17, 2014 and also in its responses in this action. Whether or not the removal of the directors was valid goes directly to whether they were protected by sovereign immunity, since

the Charter provides that immunity protection ends upon their removal. Bylaws, § 3.3. This Court is cognizant that the answer to this question would also dispose of the ultimate issue and previously striven to have the parties reach their own equitable compromise. However, we must now apply the law as the court of last resort, since the parties are unable to deal with each other equitably as we encouraged.

The five directors were suspended or removed by majority shareholder representatives' vote⁵ at a December 21, 2013 special meeting held in executive session to which the five directors were provided neither prior notice nor opportunity to respond. While Art. XI(M) of the Charter, read alone, appears to allow removal of a director "with cause at any time by a vote of the shareholder representatives," we cautioned against the reading of provisions in isolation. "Our Navajo Nation laws must be read comprehensively and in combination, not piñon picked for provisions that support a given position." *NHA v. Johns*, No. SC-CV-18-10, slip op at 11 (Nav. Sup. Ct. Sept. 10, 2012) (citing *In the Matter of Seanez*, No. SC-CV-58-10, slip op. at 10 (Nav. Sup. Ct. January 25, 2011)). The corporate Bylaws at Section 3.12 authorizes the shareholder representatives' vote provided that the shareholder representatives "shall comply with the "Standards and Procedures for the Removal of Members of the Board of Directors." *Approving Amendments to Article III, Sections 3.12 and 3.16 of the Bylaws of NNOGC*, NNOGC Bd. of Dirs. Res. No. 194, Bylaws, App. A, Pet'r's Br., Ex. G, January 27, 2013. These standards and procedures do not permit the shareholder representatives and the CEO to act on suspension or removal without participation of the Board, and further require legal procedural formalities that were not followed in this case. The absence of due process formalities, including full Board involvement, notice, right of inspection of written reports, investigation of disputed facts by a neutral third party, the right of the accused to attend a meeting at which their removal or

⁵ See fn. 1, *supra*.

suspension is discussed, and right to provide a response prior to Board action is undisputed by either party.

As noted above, the NNDOJ raised concerns about the validity of the December 21, 2013 meeting in a legal memorandum dated January 16, 2014. In the response of the NNDOJ on behalf of the Navajo Nation, Attorney General Harrison Tsosie stated: "Even assuming that the [shareholder representatives] constituted a quorum, which they did not by the plain language of the Charter, they did not provide appropriate cause for the suspension or removal when taking their action, as also required by the Charter . . . Simply put, their actions were not in accordance with the Charter, and are null and void." NNDOJ Response to Motion for Clarification at 8, May 21, 2014, (citing Charter, Pet'r's Br., Ex. A., Art. X(D) (quorum requirement); Art. XI(M) (cause requirement); Ex. S (letters of suspension and removal)). This Court is in agreement with the Attorney General's response.⁶ In order to be valid, a director's suspension or removal for cause must be accorded the due process protections set forth in the corporations own internal laws. In this case, those internal laws are also the law of the Navajo Nation due to Council ratification. For purposes of our jurisdictional analysis, we find that the five directors were not legally suspended or removed, and all directors were therefore protected by sovereign immunity at all times relevant to the injunction action. As such, they were entitled to notice under 1 N.N.C. § 555, the non-provision of which is a fatal jurisdictional defect. The NNDOJ's January 16, 2014 memorandum should have forestalled any injunctive order. Instead, it was ignored.

Both the NSIA and the Charter provide for conditional immunity for corporate individuals who are acting in their "official capacities." Pursuant to *Chapo*, official capacity immunity depends on whether actions were taken "in the scope of their authority." 8 Nav. R. at

⁶ See 2 N.N.C. § 1965 (providing that when the opinion of the Attorney General requested by any entity of the Navajo Nation concerning any question of law relating to their respective entity or offices, "no adverse action may be taken . . . against any official or employee of the Navajo Nation government for conduct taken in reasonable reliance upon the advice given in such an opinion."

458. Whether an official acts within the scope of his or her authority or employment depends on factors we set forth in *Chapo* including whether actions were taken beyond “the official’s authority and restrictions on that authority defined by applicable statute or regulation” which, essentially, defines *ultra vires*. *Id.* at 461-462. Immunity may well be stripped from an individual if willful or grossly negligent *ultra vires* acts are found. However, for purposes of the jurisdictional notice conditions precedent, notice must absolutely be given to all board members of Navajo Nation enterprises being sued. Any court determination as to whether actions are *ultra vires* must come after an action is duly commenced and prior to issuance of any court order. The district court had ample warning in the underlying complaint itself that the directors continued to believe they were active status directors and were performing official duties via scheduling a Board meeting on January 21, 2014. However, it is clear that the district court received no warning from the complaint that sovereign immunity was involved in the matter before it.

Sovereign immunity is jurisdictional, and a defense of sovereign immunity automatically raises questions concerning the district court’s jurisdiction over the Navajo Nation and/or covered officials who are sued in their official capacity. *See Johnson v. Navajo Nation*, 5 Nav. R. 192 (Nav. Sup. Ct. 1987). For this reason, our court procedural rules mandate that a complaint set forth the court’s jurisdiction. Nav. R. Civ. P. 8(a)(1). The jurisdictional statement must be complete and accurate so that the court is fully informed as to its ability to act in the matter. It must be noted that in spite of the clarity of the Charter’s immunity waiver article, Robert Joe’s complaint in the district court did not cite sovereign immunity as a possible jurisdictional limitation. Additionally, Robert Joe referred to NNOGC as a “private federally chartered corporation” and “not a government or government subdivision,” while neglecting to mention that the NNOGC is a “Navajo Nation instrumentality” by Charter, *see Verified Complaint* at ¶¶

8-9, Pet'r's Add. to Br. at 1, April 15, 2014, that must "return all dividends and distributions of profit to the Navajo Nation government to be devoted to essential governmental functions[.]" *see* Charter, Art. VII(E). The result is a facially deficient and misleading underlying complaint.

The following foundational principles bear on our jurisdictional analysis above and must be well understood by our courts and all Navajo Nation corporations.

Firstly, express Council enactments such as the NNOGC's corporate Charter are mandatory. The articles in the Charter are neither optional nor facilitative, but are legal formalities that must be followed to the letter in order for actions or decisions to be valid. The same is true for corporation bylaws that are duly adopted according to the letter of the Charter which collectively are designed to protect all stakeholders. We applied this principle in the issuance of our Writ of Prohibition.

Secondly, NNOGC's bylaws state that they are "in conformity with general corporation law, a proper interpretation of the Navajo Corporation Code, and the best interest of the Corporation." Bylaws, § 3.3, n.1. The Navajo Corporation Act is, in turn, "based upon the American Bar Association's Model Business Corporation Act." 5 N.N.C. § 3100(B). The Navajo Nation chose NNOGC to operate within the establishment of American corporations, beholden to the same general corporate principles, and its corporate organs must therefore be obedient to the spirit and letter of those principles. No general principle of corporate law would allow a governing Board to be so diminished below quorum so that an officer/CEO becomes the sole decision-maker without any Board oversight for his or her transactions. Had all parties faithfully observed the Charter and Bylaws, intended as complete documents providing for procedures for internal resolution for every business-related eventuality, this matter should never have needed the equitable remedy of injunctive relief through our courts. The courts are not a forum for

validating noncompliance with legal constraints calculated to protect all stakeholders, nor are they to be resorted to by individuals to forestall internal inquiries into their performance or actions by other corporate organs. Where corporate matters are governed by statutes, corporate charters, and bylaws, our courts shall apply their mandatory language.

In their response, shareholder representatives ask that this Court reconsider and find that neither NNOGC nor its directors are cloaked in immunity. Resp. of S'holder Rep's. to Movant's Req. for Clarification at 10-13, May 21, 2014. As support, they assert that NNOGC is federally-chartered with the Secretary of the Interior empowered to ratify its Charter and control its contents, therefore NNOGC is not a tribal business and neither it nor its directors share in tribal sovereign immunity. Robert Joe, through Barnhouse, also asserted at oral argument that NNGOC is "no different from a McDonald's or Circle K." *Audio recording of Oral Argument*, May 1, 2014. However, since the corporate Charter itself expressly places NNOGC and its directors under the protection of the NSIA, Robert Joe and shareholder representatives' arguments are perplexing in their avoidance of clear laws enacted by the Navajo Nation Council. Additionally, it should have been known to their legal counsel that under federal law, IRA § 17 corporations may invoke sovereign immunity⁷ if that is the tribe's intent and the tribe has sufficient control over the entity.⁸ Control of the tribe is unquestioned, as the Navajo Nation is the sole shareholder of NNOGC, participating through shareholder representatives drawn from standing committees of the Navajo Nation Council, and its Board of Directors nominated by the Agency Councils and President with final selection by a Council standing committee. Charter, Art. V(B), V(D), and XI(C) respectively. The extent of control by the tribe confers jurisdiction on our Courts over all internal conflicts of NNOGC where NSIA conditions or exceptions are met.

⁷ See *Amerind Risk Management Corporation v. Malaterre* (8th Cir. Ct. App. Feb. 15, 2011); *cert. den.*, January 17, 2012.

⁸ *Breakthrough Mgmt. Grp., Inc. v. Chukchansi Gold Casino & Resort*, 629 F.3d 1173, 1180 (10th Cir. 2010)

This brings us to a third foundational principle, which is corporate independence. Businesses—even Navajo enterprises or instrumentalities covered by governmental protections—must be able to conduct their business transactions and internal affairs free of influence or pressure by the government. A corporation, under established fiduciary principles, must be run autonomously as a business. If politicians participate in a business, it cannot be in their governmental capacities. This is true for NNOGC. *See* Charter, Art. § X(C) (providing that “shareholder representatives shall sit in their capacity as representatives of the sole shareholder and not as members of the Navajo Nation Council.”).⁹ The Navajo Nation is sole shareholder of NNOGC “for the benefit of the Nation and its enrolled members.” Charter, Art. V(B), and as stated above, 100% of NNOGC revenues go toward governmental services for the people. Navajos think in communal ownership. Its shareholder representatives are, essentially, trustees of a public trust asset for the Navajo people and must exercise their fiduciary responsibility.

Shareholder representatives inform this Court that the Council recently approved an amended Charter and directed the Navajo Nation Washington Office to take all actions necessary to petition the Secretary of the Interior (Secretary) to issue the restated Charter. *Four of Five S’holder Rep’s. Br.* at 6-7, April 25, 2014; and *see also* Ex. B, April 25, 2014. (Leg. No. 0352, passed April 22, 2014). The amendments create new qualifications for Board members that the present directors may not possess, and would strip the Agency Councils and President from being able to select Board directors, which is authorized under the present Charter. Shareholder representatives ask the Court to consider the suspended and removed directors disqualified

⁹ It was foreseen years ago that the involvement of elected officials in boards or commissions of contracting organizations with the Navajo Nation or on the board of directors of Navajo Nation enterprises may result in impermissible conflicts of interest. *See* Opinion of the Attorney General of the Navajo Nation, No. AG-08-94 (May 20, 1994). The functional distinction between the roles of shareholder representatives, who are *not* managers, and directors who have exclusive high-level managerial authority, is not just for show under our Ethics in Government Laws. Had the roles not been blurred, the problems in this case would have been forestalled.

pursuant to the amended Charter. However, approval of the amendments by the Council is not enough to render the amendments “operative.” Under 25 U.S.C. § 477, the amendments must now be submitted by petition to the Secretary for approval, following which the Charter becomes “operative” upon further ratification by the Navajo Nation Council. Additionally, it is far from clear that the Secretary’s approval will be obtained. We take judicial notice that the President of the Navajo Nation raised deep concerns about the amendments, which would concentrate control and influence of this multi-million dollar asset entirely in the Council, a single branch of government.¹⁰ Currently, shareholder representatives of the Navajo Nation as sole shareholder, on behalf of the true owners the Navajo people, are already drawn solely from the Council. We would note, again, that all dividends and profits of NNOGC go to fund “essential governmental functions,” not just the functions of the Council. Charter, Art. VII(E). As with any governmental venture held in the public trust, a Section 17 corporation Charter is only as good as its checks and balances safeguarding all stakeholders. The proposed amendments affect the independence of the branches as well as the corporate organs.

The foregoing discussion sufficiently clarifies the basis of our Writ of Prohibition.

It is clear from this case that internal conflicts of Navajo Nation instrumentalities and enterprises, especially those whose operations deeply impact the public welfare through governmental services, need expedited remedies. Authority to provide writ relief is provided generally at 7 N.N.C. §§ 255 and 303. The writ of *quo warranto*¹¹ is a type of prospective

¹⁰ We take judicial notice that on May 23, 2014, President Ben Shelly issued a press release stating his intent to lodge an objection with the Secretary against approving the amendments, which he termed a “usurpation of power” by the Council that would result in only one branch of government exclusively involved in the running of a tribal asset worth in the hundreds of millions.

¹¹ While injunctions serve to prevent acts, and declaratory judgments simply clarify the relationship of parties and their rights in a matter while not providing for any enforcement, the *quo warranto* writ is an expedited self-enforcing writ directed to the person whose continued legitimate occupancy of an office or position in a public body or corporation is questioned. Such writs may be filed to the district courts pursuant to 7 N.N.C. § 255, and also to this Court pursuant to 7 N.N.C. §302 and 303.

mandamus used in most, if not all state jurisdictions.¹² On the Navajo Nation, such a writ action may be brought by the government or a private person, either *de jure* or *de facto*, to compel an individual to show “by what warrant”¹³ he or she presumes to hold office where the individual usurps, intrudes into, or unlawfully holds office in a public body or corporate entity.

We note, finally, that exceptions to NSIA conditions exist in regard to the Navajo Nation government. An injunction, declaratory judgment and prospective mandamus are exceptions to the NSIA to compel “[a]ny officer, employee or agent of the Navajo Nation” to perform law-mandated responsibilities. *See* 1 N.N.C. § 554(G). Additionally, a common-law exception to the NSIA jurisdictional advance notice requirement presently exists for internal governmental conflicts within the branches. *See Shirley v. Morgan*, No. SC-SC-02-10, slip op. at 5-8 (Nav. Sup. Ct. June 2, 2010) (stating that “Government entities must have access to our courts without undue restraint and on such terms and conditions as may be available to any individual person seeking relief for private disputes through our courts.”). However, although we would have entertained a request, none of the parties asked this Court to apply the above NSIA exceptions to internal conflicts of Navajo Nation instrumentalities.

EFFECT OF WRIT OF PROHIBITION

To forestall further chaos between the parties, we are compelled to spell out the legal effect of this Writ of Prohibition, including the effect of our jurisdictional findings, as follows:

1. We addressed the status of suspension or removal of the five directors in order to ascertain whether or not the five directors were protected by sovereign immunity. We found the five directors were not validly suspended or removed on December 21, 2013. The five directors continue to actively serve without interruption prior to and following December 21, 2013.

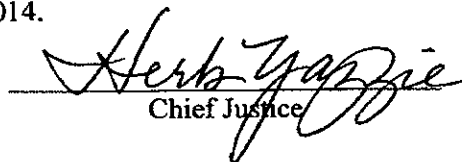
¹² *Quo warrantio* exists as both a statutory and common law writ option in all state jurisdictions. *See, e.g.*, California Code of Civil Procedure, Sections 803-811; and *see* Minn. Stat. Ann. § 480.04 (West).

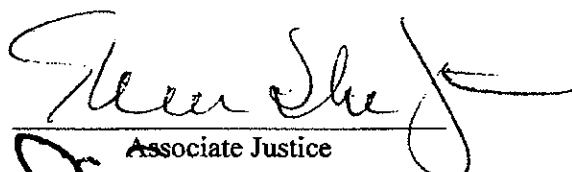
¹³ *See* 51 A.L.R.2d 1306.

2. The Writ of Prohibition renders invalid *ab initio* all orders of the district court, including the January 17, 2014 temporary restraining order (TRO) and the January 31, 2014 Stipulated Order.

3. The Writ dismisses the underlying complaint, but not the counterclaims. "If the court lacks jurisdiction over the original petition, the counterclaim nonetheless survives if there is a separate jurisdictional basis to hear the counterclaim." *Begay v. Begay*, No. SC-CV-65-05, slip op. at 3 (Nav. Sup. Ct. May 11, 2006). And *see, e.g., Begay v. Nav. Eng'g and Constr. Auth.*, SC-CV-44-08, slip op. at 3, fn 1 (counterclaim may survive involuntary dismissal of claim). We found that Robert Joe acted beyond the scope of his authority in filing the complaint. As a result, the plaintiff was Robert Joe in his individual capacity. Since a counterclaim may only be filed against a claiming party, counterclaims filed by the five directors against Robert Joe in his individual capacity for declaratory judgment, injunction, and damages survive. Regardless, counterclaims are permitted without NSIA advance notice formalities of any kind. *See Navajo Nation v. RJN Constr. et al*, No. SC-CV-13-11, slip op at 13-14 *cited* at fn. 4, *supra*. Additionally, the Charter and Bylaws require specific Council notice for suits and submission to suits, but not for defenses and counterclaims that must be raised in an answer. The district court has an obligation to address the counterclaims as speedily as possible. The district court needs to make sure that the counterclaims are still on its docket, following which the district court should consider and enter judgment on the counterclaims without delay. Amendment of any counterclaims for jurisdictional purposes should be allowed on the basis of our above finding.

Dated this 20th day of June, 2014.


Chief Justice


Associate Justice

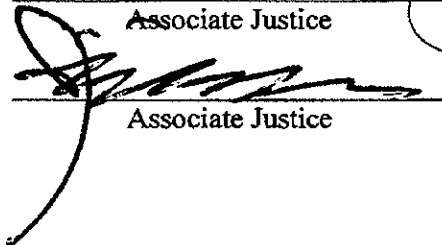

Associate Justice

Exhibit 10

Exhibit 10

DISTRICT COURT OF THE UNITED STATES
DISTRICT OF ARIZONA

MEL R. BEGAY; RUSSELL BEGAYE;
CHARLES DAMON; KENNETH
MARYBOY, in their capacities as
Representative Shareholders,

Plaintiffs,

vs.

MAE-GILENE BEGAY; DIANDRA
BENALLY; LENNARD ELTSOSIE;
JENNIFER HATATHLIE; NELSON
TOLEDO,

Defendants.

No. _____

**TEMPORARY RESTRAINING ORDER
AND ORDER TO SHOW CAUSE**

THIS MATTER CAME BEFORE THE COURT on the ____ day of June, 2014
upon Plaintiffs' Application for Temporary Restraining Order and Order to Show Cause.
Having reviewed the Application, together with the Verified Complaint and entire record
in this case,

THE COURT FINDS as follows:

- (1) Sufficient grounds exist for the issuance of a Temporary Restraining Order.
- (2) Plaintiffs have demonstrated that they have or are claiming a protectable right or interest; that they are likely to succeed on the merits; that irreparable injury to their right or interest is likely to occur unless the temporary restraining order is issued; that the threatened injury, loss or damage is substantial in nature or character; that the temporary restraining order promotes the public interest; and that the Plaintiffs do not have an adequate remedy at law.

1 IT IS THEREFORE ORDERED that Plaintiffs' Application is GRANTED.

2 IT IS FURTHER ORDERED that Defendants, as a group and each of them
3 individually, are ENJOINED from holding themselves out as board members of Navajo
4 Nation Oil and Gas Company ("NNOGC"), meeting as a group claiming to act as the
5 board of directors of NNOGC, and continuing in any other manner to purport to act on
6 behalf of NNOGC.

7 IT IS FURTHER ORDERED that this Order shall be binding on Defendants, their
8 officers, agents, servants, employees, and attorneys and upon those persons in active
9 concert or participation with Defendants who receive actual notice of this Order by
10 personal service or otherwise.

11 IT IS FURTHER ORDERED that in order to return the parties to the status quo
12 prior to the Navajo Nation Supreme Court's decision of June 20, 2014 in Case No. SC-
13 CV-25-14:

14 (1) Robert Joe shall resume his role as President and CEO of NNOGC and
15 direct its day-to-day corporate affairs consistent with reasonable business
16 practices;

17 (2) Rueben Mike shall resume his role as Secretary and Interim Vice
18 President/Acting CFO of NNOGC consistent with reasonable business
19 practices.

20 IT IS FURTHER ORDERED that this Order shall remain in full force and effect
21 pending an evidentiary hearing to be held for the purpose of determining why a
22 preliminary injunction should not issue while awaiting trial on the merits.

23 IT IS FURTHER ORDERED that Defendants shall appear on the ____ day of
24 _____, 2014 at ____:____ __.m., at the United States District Court of Arizona –
25 Phoenix, Sandra Day O'Connor U.S. Courthouse, 401 W. Washington Street, Phoenix,
26 Arizona 85003-2118, Courtroom _____, and show cause why a preliminary injunction
27 should not issue while awaiting trial on the merits.
28

1 IT IS FURTHER ORDERED that Plaintiffs shall () shall not () be required to
2 post a surety bond in the amount of \$_____, pending the final decision of this Court
3 with such bond being tendered to the Court within _____ days.

4 DATED this ____ day of June, 2014.

5
6 _____
7 Arizona District Court Judge
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28