

March 12, 2008

NOTICE

**TO ALL OIL AND GAS PRODUCERS WITHIN THE COMANCHE NATION
JURISDICTION:**

**INCLUDES COMANCHE, KIOWA, CADDO, GRADY, STEPHENS, JEFFERSON,
TILLMAN, COTTON.**

The Comanche Nation requires an oil or gas Lessee or Operator to obtain a License prior to conducting or continuing any such oil or gas production activities within Comanche jurisdiction. The relevant parts of the **COMANCHE NATION GENERAL REVENUE & TAXATION ACT OF 1995**, Section 714 of the Act read as follows:

Section 714 – Requirement to Obtain a License

Every Lessee desiring to lease mineral rights from an Indian or tribal Lessor . . . [and] every Operator desiring to engage in oil or gas production . . . within the Comanche Nation jurisdiction must apply for and receive from the Comanche Tax Commission a Leasing License . . . [or] an Oil and Gas Production License prior to entering into . . . establishing or continuing [such activity].

YOU MUST HAVE A LICENSE IN ORDER TO LEASE OR PRODUCE OIL OR GAS.

The fee for such a license is \$100.00 (one hundred dollars) and is valid for one year from issuance.

YOU MUST PAY OIL AND GAS PRODUCTION TAXES MONTHLY.

The Comanche Nation levies a **severance tax** on the value of oil and gas produced from within Comanche jurisdiction pursuant to Part Seven of the **General Revenue and Taxation Act of 1995 ("Act")**. The relevant parts of Sections 702 and 703 of the Act read as follows:

Section 702 & 703 – Tax Levied on Oil [or] Gas (as the case may be):

There is hereby levied a tax equal to eight percent (8%) of the taxable value of all petroleum or other crude, condensate, or mineral oil, . . . [and] all gas, natural gas, casinghead gas, associated natural gas liquids, and other valuable hydrocarbon substances . . . produced, severed, saved, or removed from any land within the jurisdiction of the Comanche Nation.

The severance tax is in lieu of any other Comanche sales taxes. Stripper wells are **not exempted** from this tax. However, **no tax is due on the production attributable to the royalty interest of an Indian or tribal Lessor of trust or restricted land.** The **Lessee is responsible for reporting the value of the production and paying the tax every month.** Our office will supply you with the forms upon which to report your production to the Comanche Nation Tax Commission.

FAILURE TO PAY OIL OR GAS TAXES MAY CAUSE FORECLOSURE OF THE LEASE.

Commission representatives may conduct field inspections and view any records concerning production activities within Comanche jurisdiction. You must keep records of your production activities for at least five (5) years. Failure to pay oil or gas taxes could result in foreclosure proceedings against the Lessee's interest which may be sold to pay for delinquent taxes. In addition, the Commission may revoke a Lessee's license to maintain production activities.

TAXES PAY FOR COMANCHE NATION HEALTH, EDUCATION, SOCIAL SERVICE, PROGRAMS, AND POLICE PROTECTION. THE COMANCHE NATION MUST PAY FOR THOSE PROGRAMS AND SERVICES WHICH THE FEDERAL GOVERNMENT HAS FAILED TO FUND.

If you have any questions, please call (580) 595-3313, 595-3302 OR EMAIL cntaxcommission@lclisp.com

COMANCHE NATION TAX COMMISSION
P.O. BOX 1917
LAWTON, OK 73502
5/30/08

For Office Use Only

**APPLICATION FOR OIL & GAS
LESSEE LICENSE**

PLEASE TYPE OR PRINT

Name of Lessee _____ (Area Code) Phone No. _____

Lessee Address _____

EMAIL ADDRESS _____

License No. Issued _____
Application Approved _____
Application Rejected _____
Application Fee Paid _____
Check Number _____
Date License Issued _____

Tax Commission Staff Signature

PLEASE ANSWER QUESTIONS FULLY:

1. In what counties (within the Comanche Nation's jurisdiction) will the Lessee be producing oil and gas?

2. Have you previously been issued a Oil & Gas Lessee License? If so provide:

4. Indicate in proper space the type of ownership. Name Leased Under _____ Address _____ Tax/License Number _____
Individual _____ Partnership _____ Corporation _____
Other _____

(If a Corporation, an Oil & Gas Lessee License will not be issued until Articles of Incorporation have been filed with Secretary, Comanche Nation, P.O. Box 1917, Lawton, OK 73502. If a partnership, an Oil & Gas Lessee License will not be issued until the Partnership Agreement has been filed with Secretary, Comanche Nation, P.O. Box 908, Lawton, OK 73502. If the partnership has no formal Partnership Agreement, an affidavit indicating that there is no formal agreement shall be substituted for the filing of a formal agreement). All others must provide proof of ownership.

NOTE: Enter the Appropriate Date: Comanche Nation Corp., Date Corporate Charter Granted ____/____/____
Oklahoma Corp., Date Corporate Charter Granted ____/____/____
Foreign Corp., Date Domesticated in Oklahoma ____/____/____

Full name of directors, officers,
partners, majority shareholders
and/or controlling members
(use additional sheets as necessary)

Address

Degree of interest

5. If you are already engaged in oil and gas production within the Comanche Nation's jurisdiction, provide the BIA lease numbers for the leases on which production is occurring:

INSTRUCTIONS:

The following documentation must be submitted in full before a license is issued:

1. **COPIES OF ALL BIA-APPROVED MINERAL LEASES WITHIN THE COMANCHE NATION'S JURISDICTION.**
2. **PROOF OF AUTHORITY OF SERVICE AGENT TO ACCEPT SERVICE OF PROCESS ON BEHALF OF THE APPLICANT.**

AFFIRMATIONS:

The applicant hereby agrees to be bound by the following terms as a licensee of the Comanche Nation:

1. **The applicant/licensee will abide by all applicable laws of the Comanche Nation.**
2. **The applicant/licensee will file with the Tax Commission copies of those forms filed with the designated federal agencies as specified by the Tax Commission in its rules and regulations.**
3. **The applicant/licensee will, stipulate, and consent to the civil jurisdiction of the Comanche Nation and to the jurisdiction of the Tribal Court, and the applicant/licensee agrees to accept service of process in matters arising from or related to the conduct of business.**
4. **The applicant/licensee receives a summons to appear in any court on a matter relating to a lease within the Comanche Nation's jurisdiction, it will notify the Comanche Nation Tax Commission immediately, and provide the Tax Commission with a copy of the court document.**
5. **The applicant/licensee will respond in a timely manner to requests by the Tax Commission for information sought for the purpose of establishing whether it is in compliance with the terms of the Comanche General Revenue and Taxation Act of 1995 ("Tax Act").**
6. **The applicant/licensee authorizes the Tax Commission access to its federal and state tax filings as necessary for audit purposes or to determine compliance with the Tax Act.**
7. **The applicant/licensee authorizes the Tax Commission to conduct an on-site audit of its facilities as necessary for audit purposes or to determine compliance with the Tax Act.**
8. **The applicant/licensee authorizes the Tax Commission to access and obtain records within its control as necessary for audit purposes or to determine compliance with the Tax Act.**
9. **The applicant/licensee authorizes the Tax Commission to access and obtain records submitted to or held by the Bureau of Land Management, the Bureau of Indian Affairs, the United States Geological Survey, the Oklahoma Tax Commission, and/or the Oklahoma Corporation Commission as necessary for audit purposes or to determine compliance with the Tax Act.**
10. **The applicant/licensee authorizes tribal representatives to enter and inspect lease sites and records maintained thereon as necessary for audit purposes or to determine compliance with the Tax Act.**
11. **The applicant/licensee will return its license to the Comanche Nation Tax Administrator immediately if it permanently ceases business operations and acknowledges that its license is nontransferable and non-assignable.**

The applicant/licensee further acknowledges that neither the Comanche Nation nor the Comanche Nation Tax Commission shall be responsible for defending any applicant in proceedings brought by federal, state, or local governments for the enforcement of tax or other laws.

PAGE 3 OF 3 COMANCHE NATION LESSEE LICENSE APPLICATION.

IMPROPERLY SIGNED OR INCOMPLETE APPLICATIONS WILL BE RETURNED FOR CORRECTION.

Sole Proprietorship- Owner must sign application.

Partnership/association - All partners or controlling members must sign application.

Corporation - List all officers and have the signature of one corporate officer on application.

Joint Venture - Authorized signatures of all persons and one officer of corporation organizing joint venture.

This application submitted on behalf of _____ has been examined by me, and under penalty of law, I hereby affirm, that to the best of my information, knowledge and belief, it is a true and accurate, and complete application.

Signature Title Date

Printed Signature

Comanche Nation Tax Administrator Signature Title Date

Printed Signature

NOTARY PUBLIC SIGNATURE _____

My COMMISSION EXPIRES ON _____

PRINTED NAME _____

DATE _____

SEAL