

- I. Call to order at 10:13 a.m. by Chairman Waller
- II. Opening prayer and reading of deceased Osages by Second Chairman Red Eagle
- III. Roll call
 - Councilwoman Forman—present, via Zoom
 - Councilwoman Gray—present
 - Councilwoman Harlan—present, via Zoom
 - Councilman Redcorn—present
 - Second Chairman Red Eagle—present
 - Councilman Revard—present, via Zoom
 - Chairman Waller—present, via Zoom

Declaration of Quorum

Guests: Jeremy Kelly, Jeff Breedlove, Chris Kinnamon, and Rod Abbott of Sherwood Construction, Candy Thomas, Robin Phillips

Discussion: Chairman Waller announced he attended a national Zoom meeting for tribes. He said plans are in the works to end fossil fuels by 2035, which concerned him. In the meeting, it was announced that Native people are faring poorly during the COVID pandemic. Items were moved to Executive Session and out of Executive Session per Councilwomen Forman and Gray. **Councilwoman Gray** said an invitation to the Osage needs to be sent to the Secretary and Assistant Secretary of the Interior. **Councilman Redcorn** expressed concern about the headright payment being lower. He asked why it was lower than the previous quarterly payment when fuel prices have been higher for several weeks. He said shareholders depend on payments.

- IV. **Superintendent Report—Robin Phillips:** Producing Wells: 14,852 less 3,230 for SWD Wells; Approved Permits: seven Workover Permits, eight plugging permits, three emergency plugging permits, one emergency workover permit, and no drilling permits. Also, no new drilling completion reports were received. She announced the December headright amount was \$4,815. Further, she said her staff had been busy working on the lease sale coming in March. She said monthly advertisements would start in December through February in the *Tulsa World*, as well as in the Bartlesville, Pawhuska, and Hominy newspapers.

Discussion: **Councilwoman Forman** said she thought the lease sale needed to be placed in the *OK Energy Today* daily email that goes to 6,000 oil and gas individuals, where the ad would be front and center. **Councilman Redcorn** raised his question again about the payment being lower than expected. **Superintendent Phillips** explained the lower annuity payment was for the months of July, August and September before fuel prices began rising. She said March's payment should be higher, since it will be for October, November and December. **Councilman Redcorn** said \$3.7M was the average for royalty. He still thinks the payment should've been more than it was. **Superintendent Phillips** said to take into consideration the gross production tax. **Councilman Redcorn** asked what the payment was to the State of Oklahoma. **Superintendent Phillips** didn't know what Oklahoma's payment was, would check, and let Council know. **Councilman Revard** asked about a gas gatherer on restricted land is having issues, and he asked if BIA could intervene. **Superintendent Phillips** said she is not in a position to respond but will talk to the landowner and Osage Nation Real Estate Services. **Chairman Waller** said he'd share the information with Chief Standing Bear. **Councilwoman Gray** said the low payment proves the need to have lease sales,

which would help with annuity payments. She requested a more updated report from the BIA. **Superintendent Phillips** said end of the month reports are always going to be behind because federal regulations require them to be due on the 25th of the month. She added information, i.e. letters, notices, and permits, is shared with OMC as it's issued. **Councilwoman Forman** asked Superintendent Phillips to recalculate the headright payment because her calculations for Burbank, which produces 40% of the oil, in August was 609 barrels per day higher than July and in August was over 200 barrels per day higher than September. **Councilman Redcorn** calculated the gross production tax for Oklahoma and said that's what seems to have made the headright amount lower. But, after hearing Councilwoman Forman's figures, he asked Superintendent Phillips to refigure the amount.

- V. Audit Report:** Osage Oil and Gas calculated receipts versus actual – production for September 2021: gross barrels was 359,564, royalty barrel 52,826 gross barrels vs. royalty barrels 14.69%, daily barrels produced 11,985.45, average price per barrel \$77.64. Collections for October 2021: total oil royalty was \$3,755,215, total gas royalty \$146,947, tank bottom royalty \$63, total oil and gas royalty \$3,902,225, and actual receipts was the same. Osage information sheet: total collections for October 2021 was \$4,065,631.53, average price per barrel of oil for September 2021 was \$71.09, average highest posted price for the month of October 2021 was \$77.64, average daily barrels produced for September 2021 was 11,599. The quarterly annuity payment for September 2021 was \$4,830. Gross production tax paid for the third quarter of 2021 was \$551,143.16. Previous period adjustments for oil was \$20,222.80 – \$17,153.93 for August, \$3,068.87 for July. Previous period adjustment for gas was \$107,202.32 – \$61,247.20 for August, \$45,790.78 for July, and \$164.34 for June, and \$50 total of future period for October 2021.

Discussion: **Councilman Redcorn** said the October HPP was \$77.64. From the report, you can see the price per barrel didn't increase until recently. **Councilwoman Forman** wanted to find out why OMC and BIA had differing amounts for the HPP for September. **Chairman Waller** said when Lacey Reynolds returned to the office, he would ask her to check.

VI. New Business

- a. Sherwood Construction Leases –** **Chairman Waller** said there will need to be changes made to their lease. They're completing major projects in the SE4 of the Osage reservation. They need to use more dirt, adjustments will be made to the material increase of the lease language. The dirt will stay in their work zone and will not be removed. Dirt will be used for drainage and changes of grade. **Councilman Revard** asked if topsoil was set aside, separated and treated differently than clay and deeper soils that are less valuable. **Councilman Redcorn** agreed with both Chairman Waller and Councilman Revard. He said there are two choices. There could be an excavation lease through BIA or sign a waiver. He said signing a waiver would cut out shareholders. Since there is a substantial amount of earth being moved, he thinks BIA, ODOT, and OMC need to meet to discuss options and an amount for the dirt, as has happened in the past with other projects. **Councilwoman Gray** concurred that compensation should be sought. OMC should also get a report on how much dirt was moved and how deep, then decide on the amount of payment. **Councilman Revard** thinks Council should try to market the topsoil, since it has value, sell it, and get revenue for headright owners. **Chris Kinnamon** (Sherwood Construction) said the topsoil would be pushed to the side and put right back where it came from with Bermuda grass sod on top of it. He said all topsoil would remain in the same place. **Chairman Waller** asked whether any soil would be sold and also whether any soil would be removed. **Mr. Kinnamon** said yes for one project. He clarified that there were three projects. Two of the projects will have material moved. The Highway 60 project will move 600K excess yards of dirt from the ODOT right-of-way (ROW) and to the property of a private landowner. The Gilcrease Turnpike is moving from Osage County to Tulsa County; this ROW has a

lease through the BIA with OMC. 100K cubic yards will be moved in that project; an additional 40K cubic yards will be moved in the Gilcrease Turnpike project. **Councilman Redcorn** suggested inviting Superintendent Phillips to discuss. He said these are larger projects than OMC has dealt with in the past. **Mr. Kinnamon** said the 140K dirt being moved will stay within their ROW. **Chairman Waller** said further discussion in Executive on behalf of shareholders and get back to the construction company. **Councilwoman Gray** asked the company to provide a document with the amounts to be excavated, engineering plans, and where the soil would be moved. **Councilman Redcorn** said he would like OMC to write a letter with their requests to the construction company. He appreciates the development within the Osage Reservation but is cognizant of the responsibility as a Council member. **Chairman Waller** said send information to Lacey Reynolds to his attention.

- b. DRAFT Osage Energy and Minerals Management Act of 2022**—**Councilwoman Gray** asked for OMC's support to send the Act to ON Congress because they are interested in sponsoring this long overdue bill. She asked OMC to note this is a draft and a working document; she is only introducing it today. The whole committee will make the Act and make the decision whether to present it. This will be a structural and procedural framework for the Mineral Estate. She asked for a special meeting within the next 45 days to start working on it. The Act will have an attorney and AG reviews. The Act will address all areas of OMC including conventional oil and gas/unconventional oil—enhanced oil recovery, well plugging, helium, hydrogen; there will also be reserved sections for future development. The Act will ensure accountability to shareholders. **Councilman Redcorn** said this document is long overdue. This will help OMC push BIA to increase barrels per day and sell leases with auctions and negotiated leases. The enhanced oil recovery opportunity is substantial and needs background support to get barrels; the Act will help this. **Councilwoman Forman** said this has a lot different complex projects all thrown into one basket. She likes the purpose. We need to discuss what the goal is because there are too many things thrown into this. It's a lot of stuff all jumbled together. An initial meeting could take place this year, but with such a complex Act that wants to address so many things that are already handled separately will take a lot of work and meetings. It will not get done during the holiday season. It will be months down the road. The goal needs to be figured out and realistic, reachable goals need to be set. She also requested a copy of the document to review. **Councilwoman Harlan** agrees that the document is overdue. She said the Act is the appropriate forum to establish. It should all be in one document approved by the nation, instead of countless resolutions. A meeting to start the work and what will be in the document should happen. She thinks Congress should be invited, too. A resolution would be passed to submit to Congress to enact. **Councilwoman Gray** said she referred to strong Acts of Congress—the Gaming Act and the Healthcare Reform Act—when she was writing the document; she then made the Act particularly applied to OMC. This type of governing document would help OMC administer the Estate. She welcomes expertise to review the Act, i.e. ON Congress and the AG. The set of oil and gas laws has to be done because it's overdue. **Councilman Redcorn** said he appreciates the Gaming and Healthcare Acts because it allows Osages to have better lives. This Act could help OMC's authority to have more revenue and improve shareholders' lives. **Chairman Waller** closed by saying he supported the Act.

- c. Resolution:** Assign OMC's oil and gas attorney to review and update lease language

Motion by **Councilwoman Forman**

Second by **Chairman Waller**

Motion **PASSED** YES: 5

NO: 2

ABSTAIN: 0

ABSENT: 0

Councilwoman Forman—y

Councilwoman Gray—n

Councilwoman Harlan—n

Councilman Redcorn—y

Second Chairman Red Eagle—y

Councilman Revard—y

Chairman Waller—y

Discussion: **Councilwoman Forman** said this has been discussed since the first year of their term. She said it needs to be updated. Agreements for gas and oil purchases are between the producer and the purchaser, and they have to wash their hands of being able to have any control. OMC's only control for enforcing is to have strong language in the lease. Process needs to start to make a notice of proposed rulemaking, if necessary. Language for plugging abandoned wells has to be stronger, too. One lease needs to be for everything; three different leases is not necessary. The 30-day notice to the lessee needs to be addressed so lease approval can be expedited. **Councilwoman Gray** said this motion supports having the Act. A subsection can address how leases are done within the Act. Using language from this motion could be part of the Act, which will become a law, making repercussions if the lease language isn't followed. **Councilwoman Forman** said her resolution should not be confused with the Act. Lease language has to be changed; work can't slow down OMC's efforts to increase production. Work still needs to be accomplished. The oil gas attorney should work at that to make the lease language enforceable. **Councilwoman Harlan** said it's a waste of money to change the lease language. There isn't urgency that can't be taken care of in the Act. 30-day notice can't be removed from the lease because it's a federal law. Don't have things reviewed by an attorney multiple times. BIA's approval has to be made to change lease language. She won't support because it's poor stewardship of OMC's money. **Councilwoman Forman** disagrees that it's a waste of money. OMC constantly has problems because the lease language has no enforcement. She thinks it's a good expenditure of money. Leases have no language for gas measurement. This will be faster and won't have to wait six months for the Act to be done. She sees no reason to delay.

VII. Motion: Enter Executive Session **Time: 12:21 p.m.**

Motion by **Second Chairman Red Eagle** Second by **Councilwoman Forman**

Motion **PASSED** YES: 7 NO: 0 ABSTAIN: 0 ABSENT: 0

Councilwoman Gray—y Councilwoman Harlan—y

Councilman Redcorn—y Second Chairman Red Eagle—y

Councilman Revard—y Chairman Waller—y

Councilwoman Forman—y

VIII. Motion: Exit Executive Session **Time: 2:11 p.m.**

Motion by **Second Chairman Red Eagle** Second by **Councilwoman Forman**

Motion **PASSED** YES: 7 NO: 0 ABSTAIN: 0 ABSENT: 0

Councilwoman Harlan—y Councilman Redcorn—y

Second Chairman Red Eagle—y Councilman Revard—y

Chairman Waller—y Councilwoman Forman—y

Councilwoman Gray—y

IX. Motions from Executive Session

- a. Resolution:** Submit a grant proposal to study the most promising CO₂ sources and equipment to build enhanced oil recovery

Motion by **Councilwoman Forman** Second by **Second Chairman Red Eagle**

Motion **PASSED** YES: 6 NO: 1 ABSTAIN: 0 ABSENT: 0

Councilman Redcorn – y

Second Chairman Red Eagle – y

Councilman Revard – y

Chairman Waller – y

Councilwoman Forman – y

Councilwoman Gray – y

Councilwoman Harlan – n

b. Resolution: Resumption of well plugging activitiesMotion by **Councilwoman Gray**Second by **Councilwoman Forman**Motion **PASSED** YES: 7 NO: 0 ABSTAIN: 0 ABSENT: 0

Second Chairman Red Eagle – y

Councilman Revard – y

Chairman Waller – y

Councilwoman Forman – y

Councilwoman Gray – y

Councilwoman Harlan – y

Councilman Redcorn – y

Discussion: **Councilman Revard** recommend to change language in paragraph five to include “and for other reasons”. **Councilwoman Gray** declined because it doesn’t change the intent of the resolution. **Councilman Revard** said discussion from Executive proved that there were other reasons for stopping well plugging activity. Councilwoman Forman said she didn’t have a problem approving the change. **Chairman Waller** said it was a point of order because he has to ask the person who made the original motion whether they want to change the language. **Councilwoman Forman** asked Councilwoman Gray whether she included “receiving projected cost of wells before work begins” in the “lengthy” resolution. It could be an in-house, administrative task. **Councilman Redcorn** said well plugging should not have been discussed in Executive. There is nothing to hide. The program needs to be resumed and stop talking so much in Executive Session. Shareholders need to be aware of what’s going on. **Councilwoman Gray** said when she submitted her resolution it was not meant to be in Executive. **Councilman Redcorn** said the funding is from a government grant, and nothing is secretive about it. Taxpayer dollars are paying for the program

c. Resolution: Set a special meeting to discuss possible amendments to the Osage Act of 1906 to allow shareholders to obtain headrights that have gone outside of the Osage NationMotion by **Councilwoman Harlan**Second by **Councilwoman Gray**Motion **PASSED** YES: 7 NO: 0 ABSTAIN: 0 ABSENT: 0

Councilman Revard – y

Chairman Waller – y

Councilwoman Forman – y

Councilwoman Gray – y

Councilwoman Harlan – y

Councilman Redcorn – y

Second Chairman Red Eagle – y

Discussion: **Second Chairman Red Eagle** said this has been discussed and a special account needs to be set up when the time comes.

d. Councilwoman Forman said discussion with Superintendent reveals why OMC needs an independent auditor to look at how things are accounted at BIA. She asked Chairman Waller to contact procurement to release the rankings of applicants so an auditor can be hired. **Councilman Redcorn** said he supported this. He said a visit to the procurement office needed to be made. He

asked Councilwoman Forman if she could call them. **Councilwoman Forman** said she didn't want to go through that again. She said when she talked to procurement they told her rankings were ready to be released. **Councilman Redcorn** said whoever sponsored the resolution should be the person who follows up with procurement because it's their responsibility. **Councilwoman Forman** reminded him that a resolution was made that everything goes through the chairman. She has gone to the chairman multiple times. Chairman Waller said the agreement was to keep the audit in-house. He asked Councilwoman Forman to ask procurement to call him. He added he never told procurement to hold the rankings.

- e. Resolution:** Prepare a letter inviting Secretary of the Interior Bryan Newland and Assistant Secretary of the Interior Deb Haaland to the Osage Nation to discuss oil and gas issues at Osage Nation

Motion by **Councilwoman Gray**

Second by **Councilman Redcorn**

Motion **PASSED** YES: 7

NO: 0

ABSTAIN: 0

ABSENT: 0

Chairman Waller—y

Councilwoman Forman—y

Councilwoman Gray—y

Councilwoman Harlan—y

Councilman Redcorn—y

Second Chairman Red Eagle—y

Councilman Revard—y

Discussion: **Councilman Gray** said in a national meeting she attended, it was specifically asked to send invitation letters to DOI to request them to come to their reservations.

- X. Motion:** Accept meeting minutes with change as noted—the word floor to pore

Motion by **Councilwoman Gray**

Second by **Second Chairman Red Eagle**

Motion **PASSED** YES: 7

NO: 0

ABSTAIN: 0

ABSENT: 0

Councilwoman Forman—y

Councilwoman Gray—y

Councilwoman Harlan—y

Councilman Redcorn—y

Second Chairman Red Eagle—y

Councilman Revard—y

Chairman Waller—y

Discussion: **Councilwoman Forman** said she was going to have to vote no because the word floor space needed to be changed to pore space.

- XI. Motion:** Adjournment

Time: 2:33 p.m.

Motion by **Second Chairman Red Eagle**

Second by **Councilwoman Forman**

Motion **PASSED** YES: 7

NO: 0

ABSTAIN: 0

ABSENT: 0

Councilwoman Gray—y

Councilwoman Harlan—y

Councilman Redcorn—y

Second Chairman Red Eagle—y

Councilman Revard—y

Chairman Waller—y


Councilwoman Forman—y

- XII.** Prior to adjournment, Chairman Waller asked for Bill Lynn to send the projected upcoming wells on the plugging list to Council.

Approved by the Fourth Osage Minerals Council on December 3, 2021.



Everett Waller, Chairman



Executive Administrative Assistant