

**OSAGE MINERALS COUNCIL
REGULAR MEETING
OSAGE COUNCIL CHAMBERS
PAWHUSKA, OKLAHOMA
SEPTEMBER 16, 2016
MINUTES**

CALL TO ORDER

Chairman Everett Waller called the meeting of the Osage Minerals Council to order at 10:00 A.M. A group from EPA is flying in from Dallas, TX to give an update on the earthquakes, and photos to be taken of the Minerals Council will be at the next meeting (Wednesday, September 21).

OPENING PRAYER

Councilwoman Kathryn Red Corn gave the opening prayer and Councilman Talee Redcorn read the names of the deceased Osages.

ROLL CALL

Minerals Council Executive Administrative Assistant Lacey Reynolds called the roll. Osage Minerals Council Members present were Cynthia Boone, Joseph Cheshewalla, Galen Crum, Stephanie Erwin, Kathryn Red Corn, Talee Redcorn, Everett Waller and Andrew Yates. A quorum was declared.

Visitors signed in were Jess Kane, Janel Perry-OST, Joy Ledbetter-OST, Raymond McClain, Marlene McClain, George Friedel, Jinx Geurin, Nevin Cooper, Ron Snyder, Gary Hurd, Nona Roach, Patricia S. Bright, Samuel Coleman – EPA, Linda Heskett, Sharon Long, Philip Dellinger – EPA, Linda Jackson, Robin Phillips – BIA, Rosemary Wood, Tom Boone.

NEW BUSINESS

Double G Oil, LLC: – Oil & Gas Lease – Jess Kane

JESS KANE: Thank you, Mr. Chairman. You lucky people haven't had to deal with me in a while, so I thought I'd reintroduce myself. I'm Jess Kane with the Robinette/Kane Firm, and I'm here on behalf of Double G Oil. I'm going to give you a sob story and have my clients tell you all the great things they're wanting to do. The sob story is, is that Double G purchased a package of leases from another operator here a couple of years ago, including the lease on the SE/4 3-27-11. That lease was producing gas that was, at the time, being used to run wells on neighboring leases. My clients paid a good bit of money for that, and between the time that they paid that money and the time the leases were approved, that lease was terminated by the BIA, and that caused quite a bit of hardship to Double G with the loss of the gas, they had to go in and spend \$50,000 to electrify their remaining leases and it was really a problem. I contacted the BIA about seeing if it was possible to diverse that termination. Superintendent Phillips and her staff were excellent to work with. They were good enough to go through the files for me and see if there were some way that termination could be diversified and could be done. All the i's were dotted and t's crossed and the file had a bit of dust on it, so we just couldn't get the termination diversified. So, at her suggestion, we appear today to ask for a new lease for both oil and gas on that quarter section. As I said, my clients are operating the neighboring leases and quite a familiarity with the area and feel like there's good prospects. So, I'll just introduce you to Gary Warehime and Gary Hurd, who can tell you about what they plan to do with the leases that you guys lease it to.

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GARY WAREHIME: I appreciate it. Thank you. Jess covered about half of what I was going to say. Currently, the lease that was terminated butts up against a lease that we call 'Divan' and 'Brand S'.

COUNCILMAN CHESHEWALLA: What's the legal description, sir?

GARY WAREHIME: Jess had that.

CHAIRMAN WALLER: SE/4 3-27-11.

COUNCILMAN CHESHEWALLA: Thank you.

GARY WAREHIME: ...and there's a gas line that's operated by Performance right there with the meter length of that football field, where we could hook it up. It was plumbed down to within about a football field, and we got the OK from them that we could have that on the screen within a couple of weeks. The guy was out and looked at it, yesterday and didn't give us the final OK, but I had to see to get the lease before we could do it. We have applied for four permits on the other leases and we had just completed drilling two of those four permits, and with the added income, we would be off of this gas, and would help us drill the other two within a shorter period of time. Right now, we're having to put it on hold, because of the money situation. But, they're really good leases. We've got a couple of more wells coming on here and we would like to be able to go ahead and get those on-line, and get the other two drilled for you guys and us, too. Right now, it looks like it's going to be six months before we can do it. Maybe with the oil and gas, we could speed it up a little, because the operation on that would not be a lot more expense to us, because it's pretty much in place with the equipment setting there, we talked to the landowner, which is Chris Ball. He's been real good to us, and said that he's stepped aside from it. He's fine if we can get the Council to go for it, then he's on board.

COUNCILMAN YATES: You say there's the one gas well on this quarter section?

GARY WAREHIME: Actually, when we bought it from Chaparral, there's two, but all the production's coming out of one. They've just went in and deepened it. We haven't even looked at it. It took us about five months to get our assignments through the Agency, and then we negotiated with Chaparral, and the one that wasn't included with the other six. So, we said that, well, maybe it's just late coming, but it never did come, and started talking with the BIA, and they said we weren't the owners, so they had to deal with Chaparral directly, and then we went to Chaparral, and said they were working with them, and about a year or more later, they got a termination notice, and all that time, those engines had been run off that gas, when all of a sudden, we had to spend \$40-50,000 out of our pocket to get electric over there, and we were shut down. So this would help get us our feet on the ground.

COUNCILMAN YATES: Is this a fairly shallow clay that's on the east side?

GARY WAREHIME: There's about 2,000 feet...

COUNCILMAN YATES: Really?

GARY WAREHIME: It's a chad well. We just drilled these two wells, and our chad come in about 1900 to 1980. We drilled to 2020. That's the end of the line a little bit, and they looked really good.

COUNCILMAN YATES: One last question. You're just asking for an oil and gas less coal bed methane, is that correct?

GARY WAREHIME: Yeah. That's what we'd like to have.

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COUNCILMAN YATES: Alright. Thanks.

CHAIRMAN WALLER: Councilman Crum.

COUNCILMAN CRUM: I want to back up on what they will be doing. You've already electrified your others. You're not planning on taking the gas from this and running?

GARY WAREHIME: That's right. See, I know we were running the engines over there on that. That's the way they were hooked up and we were running five or six of these big C66 gas engines, which takes 7-10,000 feet a day off the back side of that, and it just clicked right along, and so that's all going nowhere. So, and I know it'll produce 50-60-70,000 cf a day, and it's done that for years, without even going to a pump jack going up and down. So, I'm saying there's at least 70,000 cf trapped there, and all that time they were doing that, that pump that was down there that was plumbed into, still has 60-70 lbs. of pressure on it. My gut tells me – I've got no way to prove this – but, we're looking at more than a 100,000-plus a day. Plus, there's that other well they were working on that we haven't even worked on, yet.

COUNCILMAN CRUM: My question was going perhaps to the BIA, and the deal with the regulations, where, to your knowledge, were they paying royalty for that gas that left the lease? Because the regulations are pretty plain, that you can only use the gas on the lease for lift and for uses, and when we were doing the negotiated rulemaking, we brought that question up and the BIA's guys were going, oh, no, we never let them have them. You know, use that and then producers going, oh, yeah, we do it all the time. It seems a lot of them were doing that. I'm not trying to go backwards on you. You've got the deal, but I am talking about the BIA. We should not have been letting that happen. Were you paying us any royalty?

GARY WAREHIME: No, it was called leased gas. That's all I ever knew it as.

COUNCILMAN CRUM: The regulations are pretty plain that it'd be used only on the lease.

CHAIRMAN WALLER: I've got a good question, then. Was Chaparral planning a royalty?

GARY WAREHIME: No. From my understanding, Chaparral hadn't filed reports for years.

COUNCILMAN CRUM: So, you understanding what I'm saying, Madam Superintendent? OK. I'm not going to go back after you. You got the deal, and ended up...

GARY WAREHIME: Well, we feel like we paid for something we didn't get.

COUNCILMAN CRUM: Right.

CHAIRMAN WALLER: ...and that's why we're here trying to get at least something for something, you know?

COUNCILMAN CRUM: My second question is if you have a proposal to us in here.

GARY WAREHIME: No, we just...

COUNCILMAN CRUM: What kind of a lease bonus are you guys offering?

GARY WAREHIME: Well, minimums, I've never done this before. Of course, I knew you had negotiated leases and we used to just do options, and the minimum was at, now I can't remember those numbers. It was like 4700.

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JESS KANE: We're certainly hoping to get it in extenuating circumstances and the trouble that Double G is having that the Council would see fit to do that at the minimum. Like I said, they came in to these leases. They bought them, and this is the way they were operated and certainly they didn't know that that was incorrect, and all of a sudden, they had a lease that they paid for pulled out from under them, and it's been quite a hardship for them.

GARY WAREHIME: Plus, we have to spend \$50,000 for electric. There was no electric around to get it in. So, we've been out of pocket for quite a bit of money, lately. We've kind of licked our wounds for a year now, and drilled those two wells, and, like I say, they look real good, and we hope to get some of our money back that way.

COUNCILMAN CRUM: Well, one more point. Mr. Kane is correct in that we have to have it done that way. Often times, we would accept minimum is because of extenuating circumstances of some kind. We, of course, like it better when it's more, and when we do accept a minimum, somebody offers us more and wants to pay for it, it can be a – In my mind, I'd really need to know what you're saying, and take that into consideration about the trouble you've had, though in all fairness to the Minerals Council, the Osages didn't cause that for you. It was others. I guess that's it. Your offer is \$4,750?

GARY WAREHIME: I don't know.

COUNCILMAN CRUM: And that's what the minimum is what we're talking about at auction at the last time we had one. There's no scientific basis there.

CHAIRMAN WALLER: That's the kind of environment we're in. We've accepted it. Sir, is that it? Councilman.

COUNCILMAN REDCORN: Thank you, Chairman. I'm a little confused. I wrote down that you had a gas line?

GARY WAREHIME: The well is on the lease, legal description Wanda. I call it the Wanda lease.

COUNCILMAN REDCORN: It's not on this specific lease.

GARY WAREHIME: Yes, it crosses – The tank battery sets on another lease, another port.

COUNCILMAN REDCORN: So the well that you're drawing the gas involves this lease is not.

GARY WAREHIME: The lease that we want is on this list.

COUNCILMAN REDCORN: I wrote two gas wells.

GARY WAREHIME: There's two wells on there, but I have not looked at the other well.

COUNCILMAN REDCORN: OK. So, you know one of them's working, is that right.

GARY WAREHIME: Yeah.

COUNCILMAN REDCORN: OK. And this is the legal description that you gave us. OK, now if you could summarize what you want to do with this lease.

GARY WAREHIME: Well, what we would like to do is put it back into production.

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COUNCILMAN REDCORN: What does that mean?

GARY WAREHIME: Well, right now, they've got a lead line, laid and buried, from that well to the tank battery, which is on another lease, which is probably a half mile away, and it's a consolidated-type deal, and so we would like to put that lead line, which has got 60-80 lbs. gas on it, plumb it into a meter loop that's setting right there by the tank battery, and sell gas.

COUNCILMAN REDCORN: OK. So, the activity, I'm assuming, Ms. Phillips, this is something that the EA, I'm going to call it "EA Light", since we're not doing ground disturbance. What's your thoughts there?

SUPERINTENDENT PHILLIPS: Well, if you enter into a lease, we do have a programmatic EA that we will use for the approval of that lease. Is that your question?

COUNCILMAN REDCORN: Yeah, I think so.

SUPERINTENDENT PHILLIPS: And, as far as, and I'm sure that you all know now, before we go in and start doing assignments, we perform a site inspection of the property to ensure there's no non-compliance issues, as well as ensure that the Agency has received all the lessee reports to keep the lease held by production ensure that it is held by production, and I believe that's what happened here when the Agency got to looking at accounting records, and we didn't see any lessee report. So...

COUNCILMAN REDCORN: So you terminated the other lease?

SUPERINTENDENT PHILLIPS: We were unable to approve an assignment, based on the fact that it wasn't held by production...

CHAIRMAN WALLER: Just this quarter?

SUPERINTENDENT PHILLIPS: Just this quarter.

COUNCILMAN REDCORN: Your assignment wasn't approved by the Bureau.

GARY WAREHIME: Right. Right. We bought a package of about six or seven assignments and they came all back except the one.

COUNCILMAN REDCORN: Just as a summary here, I think it would help if somewhere when you present anybody, not just you, just present what you're wanting to do. I'm trying to read your words and hear what you're saying, but maybe Wednesday, here's the lease, here's the issues. We have it written out. Maybe we can start here, and then you see anything environmentally, because I'd like to see this going. To me, that impacts the negotiation, if we want to get it out there quickly, and that's what I'm hearing. That's a possibility.

SUPERINTENDENT PHILLIPS: We can approve the lease, based on the programmatic EA for the purpose of the leasing approved.

COUNCILMAN REDCORN: But that doesn't necessarily mean operations. There's something going on?

SUPERINTENDENT PHILLIPS: As far as an APD, he comes back in and submits something, once he gets a lease, and I believe that's what he's trying to do here is just obtain an oil and gas lease. Once he gets the oil and gas lease, then I'll be able to approve it under the PEA, then he's good to go. At that point, he'll be able to work with the Agency in doing any workovers.

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COUNCILMAN REDCORN: So, there's no ground disturbance activities, you can roll with what sounds what he wants to do with immediately, because he's under the PEA, OK?

SUPERINTENDENT PHILLIPS: Yes, sir.

COUNCILMAN REDCORN: Alright. Thank you, Chairman.

CHAIRMAN WALLER: Thank you so much. Actually, it was delivered out to the Council, yesterday, which you just mentioned.

COUNCILMAN YATES: I have one last question. You mentioned you have a gas purchaser line there close. Who is that purchaser?

GARY WAREHIME: It's the line that goes into Okesa, operated by Carrera.

COUNCILMAN YATES: I just figured.

GARY WAREHIME: I had his card.

JESS KANE: It's Osage Gas Company.

CHAIRMAN WALLER: We'll have that corrected. Council, do you have any other questions?

SUPERINTENDENT PHILLIPS: Chairman, I do agree with what Councilman Redcorn recommend a proposal, something that I've been recommending since I've been here. It definitely benefits the Bureau of Indian Affairs if we have a proposal, so we can ensure that the resolution meets the proposal.

CHAIRMAN WALLER: We'll take care of that and have it back to us by Wednesday, and we'll go with that.

COUNCILMAN REDCORN: If I may, also, if you could review that proposal and give us your thoughts, just on completeness. Because somewhere, somehow, within our area, it doesn't quite hit the mark, sometimes, and I think if you just give us the 'thumbs up/thumbs down' this is what we're looking for, what we need, I'd be happy.

GARY WAREHIME: Is that it?

CHAIRMAN WALLER: I think so. I appreciate it.

GARY WAREHIME: Thank you.

EPA:

SUPERINTENDENT PHILLIPS: Chairman? We do have Samuel Coleman from Region 6 EPA. I don't know if you would like to go ahead and welcome...

CHAIRMAN WALLER: We would like to entertain that. Just take a moment and sit down. Are you comfortable enough for us to announce you?

SAM COLEMAN, EPA: Yes, sir, if that is approved by the Council.

CHAIRMAN WALLER: Ladies and Gentlemen, I'd like to introduce from Region 6, Mr. Sam Coleman from the Environmental Protection Agency. Mr. Coleman, please come up forward and, this is going to be an

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update on the environment that we're in, the earthquakes and situations with Federal teams handle. And with that, sir, we already announced before you got here, we'll take a short break on our agenda, and the floor is all yours.

SAM COLEMAN, EPA: Thank you so much. It's an honor for me to be here, and Chairman Waller and Councilman Redcorn, what I would like to do is to give you a couple of brief opening remarks, and then Mr. Phil Dellinger, who is probably the most qualified expert to talk about this issue that we have at EPA, I'm going to ask him to come up and give a more detailed discussion. So, on behalf of my Regional Administrator, Ron Curry, and the EPA Administrator, we want to thank you for giving us this opportunity to update the Council and to provide just some brief comments as well as to answer questions that you might have.

As you know, we have a long standing partnership with the Minerals Council in both protecting the environment as well as assuring the productive and effective use of the mineral resources here on the Osage Nation. We think that that relationship is really based on excellent partnership and communication. We recognize that the events of September 3 have really challenged some of our communication and want to really assure that we're here to try to reestablish, as well as to improve in all areas that we can. We do know that those events in our work with the State of Oklahoma and our efforts to really try and provide a seamless response and work very close between the Minerals Council of the Osage Nation, the State of Oklahoma has been challenging and we've done a lot of work to try and improve that communication by working with the BIA and the others to get all of the parties together. We've had a series of phone calls to really enhance that, and we really hope to continue that process, as we go forward. So thank you for giving me the opportunity to give you just a brief set of opening remarks. I will also add that the EPA Administrator, Gina McCarthy, receives regular updates about this situation from my boss, as I mentioned before, and has been extremely interested in the work that's going on as we respond to those events from September 3. So, if I could, I'd ask Phil Dellinger to come up and to provide you with a more detailed response as to what we're doing with respect to the underground injection control program and some of our other work. Phil?

CHAIRMAN WALLER: Nice to see you again. Please, make yourself comfortable.

PHIL DELLINGER, EPA: Thank you for the opportunity. I echo the message from Sam. It's an honor to be here. Let me just update you on what's happened. Things are happening quickly. We are setting up a database, SharePoint site on the website to put critical data as we pull this up on to share with our partners, and that we're making good progress on that. We're having to pull a lot of hard copy material from our files and that's what's, you know, the biggest time burden for us, right now, where we've made good progress on that. So, we expect to have this SharePoint site up where we can give you and other partners access to the key information for these wells that we're looking at in this control zone.

We've been in contact with the operators. As you know, the control zone changed a little bit. It didn't have much impact, in terms of the number of wells in our Osage County. It had more of an impact into the Oklahoma wells. We added a couple of wells, by the time it was all said and done. We had a total of 19 wells impacted in Osage County. I believe we've given you all some information on those wells.

CHAIRMAN WALLER: That's correct.

PHIL DELLINGER, EPA: We have been looking at working with the operators to get the last month of August injection volume, so that we can implement these 25 per cent reduction in volume. We did get that information and we have spoken with all the operators and they have been very cooperative, and we followed that up with a letter that went out yesterday to the operators. So, included in that letter was encouragement of contact us if you have questions or if you want to explore an alternative approach with us. We're in the process of creating a map that shows the combined volumes for the month of August for both Osage lands and State lands in the entire control zone. We've got a draft of that, but we want to make

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sure the data that we use to do that are very closely checked, because we know that count will be of interest to many.

The control zone is kind of complicated because what Oklahoma did was, they maintain parts of the original zone. But because of the aftershock data analysis, they realize that the fault that actually moved was trending almost 90 degrees to the original elongated zone. So, the overall zone became wider and if you look at a map of it, there's a ten-mile zone, ten-mile-in-radius-control zone away from the epicenter, actually, away from the fault that moved, and that's the shut-in area, and there are five wells that we identified in that area on Osage lands, but not all five of those were operating. Beyond that ten-mile radius is a 15-mile radius that is, instead of shutting in, they're allowed to operate at 75% of what their volume was for the previous month, and that's why we've been trying to acquire that data. So, that's where most of the 14 of the 19 wells we identify are. So, we have been in communication with them to tell them that they can return to operation and ask them to hold it to 75%, for the time being, while we continue to gather and evaluate data on this complicated situation.

CHAIRMAN WALLER: Yes, sir. I would, first, like to ask our, does that take care of that? When you're trying to start it on the SharePoint, the State of Oklahoma, the Secretary of Energy team and his assistant, they're doing their dashboard version, I asked them to get us all together so we would have the opportunity, and then, along with the Minerals Council, the Bureau, whatever the case may be, with these four entities, Federal, EPA, is the lead that the solicitor had on the phone call, the other day. That's our Federal Trustees.

COUNCILMAN REDCORN: I've got a question. I assume we're going into questions. Before we do that, I was going to ask Councilman Yates, did we have any comments you'd like to hear? Any understanding, just before we go off into questions?

COUNCILMAN YATES: It's the Arbuckle formation that they targeted as possibly causing these seismic activities. So, some of the operators I know have opted to maybe going to another formation. That's a viable option, a permit modification that goes into a different formation. The Arbuckles attractive, because it takes a lot of fluid and usually Osage at zero pressure on the back, but it's being filled up with all the activity on the south side of the river and Oklahoma.

CHAIRMAN WALLER: Thank you. Councilwoman Boone.

COUNCILWOMAN BOONE: I have a question for Councilman Yates. May I?

CHAIRMAN WALLER: Sure.

COUNCILWOMAN BOONE: Since you work for the EPA Department, do you get to go out and see all these wells. I mean, are you familiar with the ones they shut down?

COUNCILMAN YATES: Yes, yes. I'm a field inspector, and I am familiar with that area.

COUNCILWOMAN BOONE: So, were you there when they shut them down, and do you have any follow-up to do?

COUNCILMAN YATES: I was not involved in any of that.

COUNCILWOMAN BOONE: Alright. Thank you.

CHAIRMAN WALLER: As we were told in a phone call the other day, the two inspector...

COUNCILMAN YATES: I think she might mean they made this a part of that.

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CHAIRMAN WALLER: OK. That's...OK. Councilwoman Boone.

COUNCILWOMAN BOONE: I have a question for the EPA gentleman, if I may. Of these 19, then 14 are going to be able to come back and start back up at 75%, correct?

PHIL DELLINGER, EPA: Yes, ma'am.

COUNCILWOMAN BOONE: And when will they be able to restart?

PHIL DELLINGER, EPA: Right now.

COUNCILWOMAN BOONE: As soon as you get called, oh, right now? Did you get the information from them, and you can get them to start back up?

PHIL DELLINGER, EPA: Yes, and I believe we received all the remaining information Wednesday. So, I expect that they all can be operating, right now.

SAM COLEMAN, EPA: Did you get copies of the letter that we sent our operators up to...Do you have those copies?

SUPERINTENDENT PHILLIPS: I believe that that information has been provided to the Osage Minerals Council by email from Richard Winlock, yesterday.

CHAIRMAN WALLER: Yes. Two other attachments.

SUPERINTENDENT PHILLIPS: Yes. There were several attachments. That one that goes in and identifies who has and who hasn't submitted information.

COUNCILWOMAN BOONE: Thank you.

CHAIRMAN WALLER: Councilman Cheshewalla.

COUNCILMAN CHESHEWALLA: Yes. What are the claims of the other five? I know that I've been told that a couple of them, they're not using anyway. But maybe two or three of them are, and one of them is to a really good producing lease. What's the plan with those?

PHIL DELLINGER, EPA: The plans are to keep those wells with those inoperable for the time being, until we start working with USGS and OGS and OCC to evaluate all the data we can get our hands on, not just operational data, but geophysical well logs, that kind of thing, and see if we can get some indication on more focus on what exactly happened here, in terms of causality.

CHAIRMAN WALLER: Councilwoman Erwin, then Councilman Redcorn, then Councilman Crum.

COUNCILWOMAN ERWIN: First of all, did you know what fault it was?

PHIL DELLINGER, EPA: Yes, ma'am. If you have that map, there. I don't know. Do you have a color copy? You see the red right in the center that trends almost east-west?

COUNCILWOMAN ERWIN: Yes, sir.

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PHIL DELLINGER, EPA: That is what everybody's calling the new fault. That's the fault that they picked up on from the aftershocks, and the movement they believe is, I understand, it was along that fault. But it's a complicated area, because you have multiple fault crossing very near where they had the epicenter.

COUNCILWOMAN ERWIN: OK. I want to make sure that I understand this one part where you said that we have a ten-mile radius and we have another 15-mile radius, and in that 15-mile radius, those 14 wells or the 19 in that...?

PHIL DELLINGER, EPA: Yes, ma'am.

COUNCILWOMAN ERWIN: OK. Could you spell your last name for me?

PHIL DELLINGER, EPA: D-E-L-L-I-N-G-E-R.

COUNCILMAN REDCORN: Thank you, Mr. Chairman. I appreciate both of these gentlemen coming to the Osage and Mr. Coleman and Mr. Dellinger. When we first heard about this situation, I read the paper, and of course, you're always alarmed, but I had to regain my confidence that, and understand that process I think it's been here since 1980, where, as a tribe, exercising our authority and our tribal sovereignty to work with United States to monitor our activities here. So, in reviewing that, I feel like we've got a pretty solid process here, and I feel confident that we have active participation in Region 6, almost daily. So, they're quite aware what's going on in Osage County. So I think that was kind of at an agreement, when I was reading the paper. So, I just wanted to say that if you have any comments on – I understand Pawnee County and the rest of the counties are OCC – how much involvement does Region 6 get in to? Is it daily, or is it only when run its course through the OCC process that you see these things? Because I understand in the Osage, you're almost in it daily. You're watching the information. You're seeing the volumes flow. Is that the same setup in the State of Oklahoma and OCC? Is that a fair question? I'm kind of curious.

PHIL DELLINGER, EPA: Let me give you an overview. You know, we EPA implement this injection well program under the safe drinking water in Osage. In Oklahoma, you know, it's delegated to the OCC. But, we maintain an oversight authority, and along with that oversight authority we provide technical support and for the last year and a half, because of the increasing seismicity, we have assigned one geologic engineer who is the person that was overseeing that agency, but she was also involved in the development of our EPA state report on injection-induced seismicity, so very knowledgeable. We have devoted essentially her full time to support OCC on the technical side to try to process data and get to a point of bringing this thing under management, and so we have, to answer your question, we are in very close contact with OCC as well. We know exactly what they're doing. We have provided recommendations through our oversight and technical support.

COUNCILMAN REDCORN: Alright. Thank you very much. Mr. Coleman, just a comment, if I may. The last two years, Ms. Phillips has been tasked with bringing on a very difficult situation, environmentally. We have had a lot of discussion on that. But I just wanted you gentlemen to realize, I think, in our seats, we're realizing to develop, in the future, we're really going to have to be robust with our environmental responsibilities, and therefore, Ms. Phillips drives a pretty tight standard for us to follow that we're very interested in picking that up, and in the same vein, I believe we see that Region 6 in our injection. If there's anything that we need to do to improve that process, we want to do it. I'm hearing great reports out of our office here, from you gentlemen, from the Bureau, from anyone that's actually participating. The things I've read in the paper, I don't think that gentleman even knows the whole structure, the whole process, and he is saying things but not sure of all the details. Nonetheless, I wanted to ensure that, going forward, we're very interested in working with the United States in all capacities to maintain our trust, but also develop an even more rigorous manner to ensure all populations, including the Osage, are protected. We appreciate the effort, and it's taken some of us a little bit of learning, and we have to come over that learning curve and

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really start thinking differently. So, I appreciate – it's coming from the top, I believe, and it's a good responsible way to do it. So, we thank you gentlemen. Thank you, Chairman.

CHAIRMAN WALLER: Thank you. Councilman Crum.

COUNCILMAN CRUM: I've been on phone calls. I'm the apples-to-apples guy that they remember, and I want to hit on that a little bit. I don't want to get in front of the data, but I do know the way we do things here, as the Councilman was talking about, both Councilmen, for that matter. We have more inspectors for the Osage than all of Oklahoma. We have more compliance people, where every time, every injection well, when they test it, is witnessed here. I know you guys have overall oversight, but I don't think you have the hands-on daily approving of volumes and pressures of stuff for these, when people make permits. Is that correct, right?

PHIL DELLINGER, EPA: That's correct.

COUNCILMAN CRUM: OK. But you do here, and what I'm suspecting the data is going to show that you guys have been doing a far better job here than Oklahoma's been doing on theirs, and that our people have been doing a far better job, and because of that, and I understand we had a really big event, and everybody wants to get in front of it, and stop and be safe. I'm with that, and I'm willing to concede that most certainly that seismic activities because most probably by injection wells, until somebody shows something different. But I don't want us, and I hope you guys are evaluating this data, look at it and don't say, well, across the line, across the river, they're putting it in this pressure, and these volumes far greater than what we're doing anywhere here, I suspect it's going to show, and that we should have to bite the same percentage bullet off of it, rather than have them guys saying, well, why don't you start doing it like you did it in the Osage, and leave these guys alone, because we've been doing pretty good. I'm not saying that we don't look at the problem, figure it out what's causing it, but in that phone call the other day, I don't think we've pinned down whether its total number of barrels going in to the formation or whether it's barrels plus pressure that's been forced in there into it, and as Councilman Yates said a while ago, we can look at our data. We know what our data is. They're taking a lot of vacuum. It's hard for me, logically, to think about that if you're putting a huge lot in at a high pressure that you're not causing more problems without being to permeate the Arbuckle, go in and permeate the basement and it caused an earthquake somewhere with that pressure volume that somebody spent a far less volume at no pressure it caused. I hope you guys will evaluate that data, and I look forward in getting it so I can evaluate it, too. Part of it is, and I'm going by word of mouth, and, you know, that sort of thing, on what these others are, and you guys would have a better handle on that than me, and you want to comment on that statement that it was totally off-base, I wish you would. But I hope the end game, we understand we had to do something, which we tried to figure out. I hope the end game doesn't make us the same as them, that the data doesn't show where our contribution is the same thing. You know what I mean? When all this breaks up and we've figured it out, we're still going to have to inject water, someplace. It's still going to happen. We know that. We've got to figure out how to do it safely, and perhaps the Osage is a model on how to do that, and the rest of what they've been doing is the out lighters and calls it problems and I hope that the EPA looks at that to figure that's the case.

SAM COLEMAN, EPA: So, if I could make just one comment, Mr. Crum. So, thank you for that, and in evaluating this system, which is what I'd like to refer to it as, we have worked very closely with USGS and Oklahoma Geological Survey, because they are the experts in seismicity and a wide range of issues. I think that we developed in EPA some very specific expertise with regards to how underground injection impacts that. We don't count ourselves as seismicity experts. So, there's a team approach to what we're doing and it does require a certain amount of consistency across the board. As we get into the more details analysis, which folks are doing now, Chairman Waller mentioned a thing about the dashboard that the Oklahoma Corporation Commission uses, which is a tool that we're investigating how we can get data migrated into that, and so that we're using the same or similar evaluation process, so that we can get to the exact point that you raised, which is, given the same type of evaluation and then looking at the seismic

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events, we believe that we will be able to draw those very clear conclusions as to how each well may or may not have contributed, and using that process, the goal, of course, is to minimize the seismic activities and to understand how each well can be used to its maximum capacity without causing any seismicity, and that's not an exact science, as I understand it, right now, and it's a developing area. So, we would really ask everyone's patience on behalf of all the agencies working on this, because if we had it all figured out, we wouldn't have any problems. So, it's still a developing area.

COUNCILMAN CRUM: Sam, I appreciate that and what I'm saying is we develop that technology. I hope that we look at it from a point of view of, maybe we, we don't say, oh, the problem is this, and those guys may make us help them fix it, and we may have to do that. I'm not saying that we don't. Let's just look at this from an overall point of view.

SAM COLEMAN, EPA: And I think that we're agreeing that the goal is, you mentioned the maximum use of the formation that does not cause any seismicity and we recognize that geographically from a surface area is not going to be exactly the same thing. Some places given the way the formation is set, you're going to be able to inject more, some places is going to be less. That's the reason you want to use the system.

COUNCILMAN CRUM: Thank you.

CHAIRMAN WALLER: Councilwoman Erwin.

COUNCILWOMAN ERWIN: Mr. Redcorn brought up something, a while ago that kind of triggered a question in my mind. He said for developing in the future. So, do you see that we stop approving permits in the Arbuckle in the Osage?

PHIL DELLINGER, EPA: I don't see that, at this point, no. The activity, this is close to Osage and it's of concern, but we've been watching Osage to see if these things are going to be causing Osage, but I know what we permit. We haven't permitted the real high-volume wells that other parts of the country...

CHAIRMAN WALLER: Now, I've already went public in saying that we're not going to. Let's get that out on this open mike right now.

PHIL DELLINGER, EPA: But that being said, there's geological considerations, and where the stresses are that contribute to where these occur. But, we don't have anything on our radar screen to stop allowing Arbuckle injection wells.

CHAIRMAN WALLER: Councilman.

COUNCILMAN YATES: Thank you. I know in the permeating process we check off the number of faults in the area. I'm assured that the public will pay a little more attention to that, identifying those fault lines.

PHIL DELLINGER, EPA: We haven't talked about that. What we will probably do is tap more of USGS and OGS data maps and so forth, and take a look at it. We know that there's a couple of major fault zones running through the county now, and so we will be paying more attention to the research that's going on out there, and consulting with that. We're looking at the tools at hand in terms of, do we put something in the permit, if you have an earthquake within some distance. You know, cut down their volumes, or if it's too big of an earthquake, you shut this well automatically. You get automatic quick action to try to address it, as early as possible. We're talking about those things. If your request relates to the operators, I don't think we're looking to make them provide a whole lot of more technical information. We will be consulting that and the experts that are developing that now.

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SAM COLEMAN, EPA: I would like to add one quick thing, and I apologize for repeating myself, but in working with Secretary Teague, and folks with OCC brought in the dashboard, there is some consideration as to how we can get data from the operators that's going to be compatible with that dashboard, and that's a discussion we need to having more detail. We're at the very early stages of talking about that. So, I would like to perhaps at some point come back and have a more detailed discussion about that.

COUNCILMAN YATES: Are you referring to the FOIA requirements or more informed information from your annual monitoring report and operators' information?

SAM COLEMAN, EPA: It would be the latter and I think they require electronic reporting on a weekly basis, as opposed to annual. The reason that we're moving slow in this process is that there is a cost involved, both with developing the infrastructure for electronic reporting as well as maintaining a much, much larger battle set. We're still trying to figure out what we understand that cost to be before we move too far.

COUNCILMAN YATES: One last thing, I think it'd be a good idea for us to have USGS and Oklahoma Geological come in and give us a rundown on the seismicity and wastewater and what their theory is. Science is still being done. It's not complete, but I would like to see what their theory is, and what they think is happening.

CHAIRMAN WALLER: And, I might add to that. That's when I talked to the State of Oklahoma about. They want to do exactly that. The Assistant to the Secretary of Energy has called me yesterday, and we'll take him up on that. We'd just say that Council would love having him come down and they want to roll this dashboard out and take care of what you're talking about. Councilman.

COUNCILMAN REDCORN: Thank you, Chairman. Three things I want to do here. At the Oil & Gas Summit we have, every year, we've had a gentleman come from the USGS to talk about the seismicity to keep our operators aware what's going on in seismic, something that we're very proud of. I can't remember the gentleman's name. We've seen him three years in a row, but he talks about how he kind of knew, started around Jones and starts coming up this way. He gave us some very nice presentations on that. I want to highlight that we have applied for DOE grant to establish a data system. If we get that grant, I think that this could be something that we could direct our team to get with whatever Region 6 wants to get this thing established, this dashboard system, whatever you envision, being that it's congruent, it's commensurate ease of use in both systems, I think we can operate mechanically, and I wanted to highlight the amount of 1 to 4 barrels that are produced in Osage County, we capture CO₂, we sequester it and put it in the ground, and we produce a fourth of our barrels, and we're very interested in doing even more of that. We want to be given the opportunity to be the people that sponsor that type of development, and so, again, with Mrs. Phillips and the things that are coming down from the top, I think that we can tell a story here. So, I wanted to assure both of you gentlemen, that we're very interested in being a player and establishing this dashboard. I appreciate your saying it twice, because I had it written down, and then you said it again. But right now, loud and clear, that if and when we'll let you, too, know, sir. If we don't get it, we're going to say that we don't have the cash, and we might need step two, but if we do, I think our team would be more than happy to direct that activity, so we could have a nice commensurate system to display our information.

CHAIRMAN WALLER: And I feel exactly that is that we go ahead and the comments I'm making on the interviews, nationwide, I've got to wait on this date. You know, reporters always like to spin-doctor everything. Well, this is a reservation we had to buy, so we've been through everything: boom, bust. What they have to realize is that safety is number one for us. We live here. Secondly, I have many Pawnee nephews and nieces, so that worries me. The next condition I have is that other tribes want to know what we're going to do. I've been asked to possibly go speak at some areas. We need to roll out the best thing you've ever rolled out, and that's what I told the State of Oklahoma. There's no substitute for being the

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finest ever we've got, and with that, does anyone have any other questions from the Council? I'd like to personally thank you for allowing this moment. This is so important to all of our groups and Council, and with that, Mr. Coleman, thank you all. I'd like to address my elder that sat on the 30th Council, Rosemary Wood. Thank you, dear. It's a great honor for me.

ROSEMARY WOOD: I just have two questions. Maybe it's written somewhere, but I haven't been able to find out if the surrounding counties are injecting salt water from out of state. I don't think we are. I talked to the Bureau, I talked to you, and I talked to Council, and nobody thinks that we are doing that, but I hear – I'd like some confirmation about the other counties are injected with salt water from out of Oklahoma, and how much, and that sort of thing. Also, I've been trying to find out the comparison between the number of barrels of salt water injected in Osage County per year, over the last five years for Osage County and for the surrounding counties. Now, I think you've assigned somebody to do it. You sent me other information. If anybody could help me with that, please do. But does anybody know if any other counties are injected with salt water from out of state?

CHAIRMAN WALLER: I'm sure they are.

COUNCILMAN CRUM: Perhaps the EPA got the overall oversight. Do you know anything about that?

PHIL DELLINGER, EPA: We do not know whether there's interstate disposal going on or not. It's not within our permeate regulate, and I talked to Ms. Wood, yesterday, and don't know really where to recommend her, other than the OCC for the counties here, or maybe the BIA.

ROSEMARY WOOD: They don't know. I called the Bureau and they referred us to UIC, and UIC referred to you.

PHIL DELLINGER, EPA: OK, well...

SAM COLEMAN, EPA: So, I think one thing we can do is to work with the Corporation Commission on the work that the commercial wells, to see, what in fact, they may be taking. From my experience in working with them on issues like this in the past, some of the records are not as precise as everybody would like them to be. But, I think we can continue to do some work in that area.

CHAIRMAN WALLER: Thank you. Councilman Yates.

COUNCILMAN YATES: I had an inquiry, several years ago, about four or five years ago, maybe. The Councilwoman for the Cherokees contacted me, and they were putting in a commercial disposal well there around the Tahlequah area, in Cherokee country, I assume, and...part of the Arkansas was shut down. She gave me a call, and I spoke to her on that. I don't know anything other than that.

CHAIRMAN WALLER: Councilman Crum.

COUNCILMAN CRUM: I think that what we're hearing here is to get this dashboard put together, the question you asked about total volume per us and total volume for the others will be answered by that. That's the data I wanted to get in front of, but I haven't got in front of it. I think I know what it's going to show. Our wells are far less than we know theirs are. That data will give it to you, to answer your question. Rosemary works as a reporter for the Osage News, and so I would suggest to the Council we should come to a decision what we share with Osage News, and I'd like to share that data with them. So, we get that SharePoint time coming, I'd like to share that with Rosemary.

ROSEMARY WOOD: I used to be on the Tribal Council, and I know what it feels like, and I never want to publish anything that you guys don't have a heads up on.

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CHAIRMAN WALLER: Thank you, dear.

(To the EPA gentlemen) What I want to do is thank you, because no one's been here before. 5.8, we'll be begging the day for that. No one has asked the most pertinent question. Your aftershocks are showing something that we don't want to see, or you wouldn't be going for this data. So I guarantee, this Council will strive the way we can with you, and we appreciate it. Brothers and sisters, is there anything you want to add? With that, thank you so much.

New Oil & Gas Lease: Friedel Petroleum Corporation – George Friedel

GEORGE FRIEDEL: Thank you, Chairman Waller and the other Councilmembers for hearing me, today. I'm a geologist, and I've worked Oklahoma my whole career. I've never operated this, and I don't know if some other company will do it. What I'm here for is I'd like to get a couple of quarter sections leased. We had them leased back when it went out in 2012, when we drilled a dry hole on one of the quarters in 2012, and unfortunately, didn't make a well, and our lease terminated. There was a concession behind us, so we lost our lease, and we wanted to continue with boring. So, since that concession's gone, that's why I'm back. I've drilled two or three wells in that area, looking for what I'm trying to find, and I've been good in finding the sand. I just haven't found any oil, just yet.

CHAIRMAN WALLER: Yes.

GEORGE FRIEDEL: So, I'm a geologist. I've got to be optimistic and I want to drill some more wells out there. So, what I'm in is this section 22, 29-5 is the E/2, SE/4, NE/4. We drilled a well in the SE/4 in 2012. We found cattleman sand, it shows there. I think I want it structured, and we want to offset that well. So, I'm proposing drilling an offset to it. Yes, sir.

COUNCILMAN YATES: I'm looking at this area, here. Are you sure you're out from under the concession? Is that some of the acreage they released, speaking of Lawco?

GEORGE FRIEDEL: Yeah. Lawco had a concession there.

COUNCILMAN YATES: They still have it, but I believe, did we have them release some of that acreage?

GEORGE FRIEDEL: We thought it was still open.

COUNCILMAN YATES: Well, we might...

SUPERINTENDENT PHILLIPS: Check with my office, next week, whether or not those are available.

GEORGE FRIEDEL: OK.

COUNCILMAN YATES: It may be. I'm just asking a question before we go too far into this.

GEORGE FRIEDEL: OK, well I was just going into...

COUNCILMAN YATES: We might get a quick answer on this.

GEORGE FRIEDEL: Where would I check to be sure, before...

CHAIRMAN WALLER: They're setting right next door.

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SUPERINTENDENT PHILLIPS: What's the legals again?

GEORGE FRIEDEL: It is 22-29-5. It's the E/2, SE/4, NE/4.

SUPERINTENDENT PHILLIPS: E/2, SE/4, NE/4.

GEORGE FRIEDEL: With Lawco, I thought you got the concession.

CHAIRMAN WALLER: And with that, we'll table it just a moment. We'll take a break.

BREAK at 11:17 A.M.

BREAK ENDS at 11:33 A.M.

Motion to go into Executive Session by Councilman Crum, Second by Councilwoman Red Corn.

MOTION PASSED: CYNTHIA BOONE-YES, JOSEPH CHESHEWALLA-YES, GALEN CRUM-YES, STEPHANIE ERWIN-YES, KATHRYN RED CORN-YES, TALEE REDCORN-ABSENT, EVERETT WALLER-YES, ANDREW YATES-YES.

EXECUTIVE SESSION – 11:34 A.M.

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12:08 P.M. – Motion to come out of Executive Session by Councilman Crum, Second by Councilwoman Red Corn.

MOTION PASSED: JOSEPH CHESHEWALLA-YES, GALEN CRUM-YES, STEPHANIE ERWIN-YES, KATHRYN RED CORN-YES, TALEE REDCORN-YES, EVERETT WALLER-YES, ANDREW YATES-YES, CYNTHIA BOONE-YES.

Summary of Executive Session regarding one of the companies and Superintendent Robin Phillips discussed an item.

OLD BUSINESS

Oil and Gas Summit: Councilman Redcorn

COUNCILMAN REDCORN: Thank you, Chairman. I think we got a little communication from Susan Forman. I think she was instrumental at last year's Oil & Gas Summit as far as getting speakers, etc. We also had a director, Rick Torix. I was a little surprised that we weren't going to have a summit this year 2016. I didn't know, because I sent some recommendations for speakers to this next summit. I got emails back [from the summit team] saying we're not having a summit in 2016. So, I had Chairman put this on the agenda to discuss this. It's just simply to say that I didn't know we're not going to have a summit in 2016, and I thought, we need to start talking about what we need to do in 2017. I'm going to turn it over to you with recommendations and other comments.

COUNCILWOMAN RED CORN: Mr. Chairman?

CHAIRMAN WALLER: Yes.

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COUNCILWOMAN RED CORN: For the record, I did not, either.

CHAIRMAN WALLER: I was going to ask the question, who said we were not going to have one.

PSB: I think he voted on it. I don't remember when.

CHAIRMAN WALLER: It had to be the testament when I was taking care of my niece. Councilwoman Boone.

COUNCILWOMAN BOONE: Our Chairman, Mr. Torix, recommended if we were going to have one this year, we had a certain deadline to meet, and that deadline is gone.

CHAIRMAN WALLER: Councilman Crum.

COUNCILMAN CRUM: That may well be, but I think that the Councilwoman is correct. However, our last vote that we took is that we were still having it, and at no point did I think that we ever voted not to, and I don't know. The Council is going to decide whether we'll have it or not. So I guess we would need to have a Council vote not to or to, one of the two. Perhaps by next Wednesday, we would get a report on what the funds are in that account that's been kept by Leslie, I think, rather than Julia?

CHAIRMAN WALLER: Yes.

COUNCILMAN CRUM: One of the two of them takes care of that account. See what funds are in there. I will report that the first time I was not on the committee, ever. So, I just assumed we would go along with it. You know, we just hadn't heard about it, and negligent on my part, and didn't ask about it. But, Christy Red Eagle approached me a few weeks ago, and said, 'What are you doing about the summit,' and I said, 'Well, I guess we're having it. Nobody's doing anything,' and she offered that she would be willing to put one on. It doesn't have to be to the extent we go in the past, whatever, but if we can motivate some people to do it, I would still be willing to try to figure a way. We've not ever not had one, since we started it, to my knowledge. They were going on, before I was ever a Council member, and we've never stopped having them, and when they first put them on, they were the gala things we've known them to. So, perhaps, they would be OK to do one a little less involved, and still keep the door open of doing these things and bringing in some good people, and I believe that Bill Lynn was actually one of the people who really has gotten most of our speakers for us. Maybe some of you that are on the committee could contact these folks and be able to know a little more about it by Wednesday, whether it's even feasible to try and do one. Maybe we could use the Casino or something. One of the Casinos, rather than going to Tulsa.

CHAIRMAN WALLER: Councilman Yates.

COUNCILMAN YATES: No one ever said we weren't having it. Somehow, it slipped through the cracks. No one followed up on it. We were going to have one, I don't know what happened, or how it was squashed or carried out, but I'm all in favor of trying. I mean we can at least have an Oil & Gas Summit meeting Monday or Tuesday, discuss it, and maybe we'll have a version that's not as grand as the other. They may have something in, like, say, Skiatook. Osage Casino is the largest contributor or Ponca City, now. Skiatook's closer. Ponca City would work, too, and they've got the hotel there. A dressed-down venue would be sufficient, and as late as it is, maybe we could pencil it in early December, sometime in December, and I know that we could probably fill half a day. Seismicity regulations. Maybe there's a lot of things we can fill up just on what we're doing here, not from what like Bill could come up with. So, I'm all in favor of going on, but we need to call that meeting with the Oil & Gas Committee.

CHAIRMAN WALLER: Yes, sir, and we have funds available.

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COUNCILWOMAN ERWIN: I think Susan Forman is on that committee, was she not?

COUNCILWOMAN BOONE: Yes.

COUNCILWOMAN ERWIN: OK, she sent an email out today. But, it's not possible to have a summit in 2016. We need a year to plan. It takes 18 months to plan to get a permit approved. My guess is that producers would donate the money needed, and if they did, it would be a fraction of what they used to give. But I kind of like the thought of Christy Red Eagle doing it. I have no problem with Christy Red Eagle doing it.

COUNCILMAN YATES: We've got other volunteers that have been loyal.

COUNCILWOMAN ERWIN: She's asked before to do it. This is what she said on the Committee.

COUNCILMAN YATES: I don't know who nixed this, but I'd like to see it carried on. This is a good deal for everyone.

COUNCILWOMAN ERWIN: But if Christy Red Eagle would do it, I would vote for it, if she would do it.

COUNCILWOMAN RED CORN: Chairman?

CHAIRMAN WALLER: Yes, Councilwoman Red Corn.

COUNCILWOMAN RED CORN: Regardless of who we get to do it, we should go ahead and do it.

CHAIRMAN WALLER: I think an effort should be made. Yes, Councilman.

COUNCILMAN CHESHEWALLA: Yes, and I think we might as well keep this tradition. Let's don't have catered whatever. Let's treat our lessees to how we eat.

COUNCILMAN YATES: Mac's B-B-Q (Skiatook).

COUNCILMAN CHESHEWALLA: Either way. Yeah.

CHAIRMAN WALLER: The other comment is that Skiatook would give us an environment that could possibly set us up for exactly that. They could cater part of it. We can contract the rest...

COUNCILMAN YATES: ...and in the years coming, we'll have a larger hotel at the Tulsa Casino. So, maybe we'll actually have one there. So, this will be kind of a springboard to that.

COUNCILMAN REDCORN: Thank you, Chairman. I made the initial contact, Councilman Yates, but if you want to take it over and set up a meeting...

COUNCILMAN YATES: No, I'll get out of the way and let you go.

COUNCILMAN REDCORN: OK. Do you want me to call a meeting, and at least a tele-conference and tell them what we want to do? Who's going to lead this whole effort?

COUNCILMAN YATES: You will get credit! Believe me.

COUNCILMAN REDCORN: The Chairman of the committee is who?

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COUNCILMAN YATES: Well, he takes a year to do it, so...

COUNCILMAN REDCORN: At least, we'll know by Wednesday. I'll set it up for Tuesday. Is that OK? And then we'll set up a tele-conference for the committee and who is involved with Ms. Red Eagle and maybe some of the others. I'll find a location. We've got conference rooms in these new buildings.

CHAIRMAN WALLER: Thank you.

Meeting Minutes: July, 2014, August 15, 2014, February – August, 2016 (21 sets)

CHAIRMAN WALLER: Let's vote on them Wednesday. Let's get that list out. You all have had them to review. Is there any...Yes, Councilwoman.

COUNCILWOMAN BOONE: I corrected something Councilman Yates said on August 15th and he was talking about Fee-to-Trust and the word, "FETA" was in there. I've corrected that, so far. That's a pretty big thing.

CHAIRMAN WALLER: We've got that taken care of. I got the nod and approval behind us, and with that, let's go in Wednesday.

Personnel:

CHAIRMAN WALLER: I'd like to talk about Personnel. Councilwoman, did you want to express yourself, here?

COUNCILWOMAN BOONE: Oh, just that we were going to advertise with the temporary position we hired for Executive Administrative Assistant. I believe it's \$15/hr., isn't it Ms. Red Corn?

CHAIRMAN WALLER: For the permanent position?

COUNCILWOMAN BOONE: Yes.

CHAIRMAN WALLER: Thank you. That was the only issue that come out of Executive. Is there any other question?

COMMITTEE REPORTS

Media:

CHAIRMAN WALLER: I'd like to go to Committee Reports. With that, Councilman.

COUNCILMAN REDCORN: We got the committee report for Media. Maybe Mr. Brock – he's available – to kind of summarize, if you can, please, sir? The website work, just give us a good summary of what's going on.

CHAIRMAN WALLER: Mr. Brock.

LOU BROCK: Yes, sir. In the last four months, of course, we've been working getting on the main part of the website up, so it'll be one where we can have everything that has been asked for to be done, and I've also been in contact with Councilman Redcorn, and also with the I.T. Department, and we're making very

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excellent strides in continuing. It seems slow, but at least, we're getting everything taken care of that needs to be done, and that's my report.

Newsletter:

CHAIRMAN WALLER: Council.

COUNCILWOMAN ERWIN: Are we talking about our new newsletter? OK, we sent it out, and we'll proof it Wednesday, but on the very front page...

COUNCILMAN REDCORN: Thank you, Lou.

COUNCILWOMAN ERWIN: ...it says 'Donelson Case Dismissed'. I would like to change that and put more about what's going on right now about the earthquakes. I don't know that much about it, but I'm sure Mr. Chairman, Mr. Waller does, if he'd give some information to put on the front page. I mean, that's really important that our shareholders know what's going on, because people are worried. I probably get three calls a day at my house, because of this. So, I wish we could take this off and put something on...

CHAIRMAN WALLER: Make it so. Make it so. Yes, and we're going to have the EPA, whatever we've already received from the BIA and the Oklahoma Corporation Commission, I hate to regurgitate it but I think it's the only thing we have right now. We can't come out and do any kind of prediction. Is there anything else? Councilwoman Boone.

COUNCILWOMAN BOONE: I would just like to say that on the format, I like our old format better, where we, as individual Council people submitted reports to be reported. I like that form better than I like just the cut and paste thing. I also wanted to ask do we have the other website going to where we can post things on that website for our newsletter?

COUNCILMAN REDCORN: Yeah, we do have two websites. It's just everything has been going to the [Osage] Nation's website. That's kind of a pivot point for all information we're getting out. That includes the agendas, the draft minutes, since we struggle to get our minutes approved. Anyway, the minutes out there in draft form only, most immediately or in a couple of days. On the newsletter, I like the new format. We want to make it more of a newspaper-type where we can collect relevant information. So, I just applaud Mr. Brock and his effort wanting to expand that the information we're going to get out. The problem is, is that we've got to have a writer, and Lou's been kind of stepping in and being that person. So, we appreciate that. Again, I am in favor, if Lou gets five emails from the OMC that indicate they approve, then the OMC posts those minutes. If that's OK with the Council, I approve that we post draft minutes immediately. If Lou gets five emails from the OMC that say, 'I approve these minutes,' then those minutes are no longer draft but final minutes. They're permanent. So I'm going to say that if Lou gets five emails – Well, Ms. Erwin asked that the committee, which is myself, Ms. Erwin and Mr. Cheshewalla review the newsletter, I'm OK, and I think Lou's fine with that, too. It's just that I want to get this the minutes out in an expedited fashion with relevant information getting out to our shareholders quickly. We seem to drag out the process of getting minutes posted. So, if there's five people on the OMC that approve minutes and send an email to Lou to post, I'm going to encourage the OMC to any Council to send the newsletter in similar fashion by sending Lou an email saying 'I approve,

CHAIRMAN WALLER: Now, I want you to recommend by Committee, and we'll get started.

COUNCILMAN REDCORN: OK.

COUNCILWOMAN ERWIN: Don't you think we could talk about the earthquake...?

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COUNCILMAN REDCORN: That's fine. We can do that. I don't think Mr. Brock has a problem with that.

COUNCILWOMAN BOONE: And we're going to do away with the process of the meeting minutes on Wednesday, then? That will no longer appear on our agenda?

CHAIRMAN WALLER: No.

COUNCILWOMAN BOONE: Am I understanding that correctly? Because, didn't I just understand him to say that if Mr. Brock gets five emails saying they're OK, they are approved, that is OK? So, we don't have to have the meeting minutes on our agenda any more, and vote on it, as a Council. Right?

COUNCILMAN REDCORN: Well, let me back up and say I think, maybe, we need to have a discussion about the open records policy of the Nation, and ensure that we roll that timely information. So, the process we put together, we need to be cognizant of that law, and I, for one, talked to a gentleman, yesterday, and I thought, we need to go back to trying to figure some of these things out. So, whatever process we do, so long as we adhere to that Open Records Meeting Act, then I think we're fine. So, whatever procedures, be it five emails, as I understand on the newsletter, and he talked about it for the minutes. So, I would agree with you. The minutes are a different issue. But from my understanding, the newsletter rolls out with five emails.

COUNCILWOMAN BOONE: It's always been a voting thing of the Council.

COUNCILMAN CRUM: I don't think it's official until we vote on it. I would like to point out what Councilman tried to show you a while ago. We completely blew by it, the piece that we should have done. We didn't ask to listen to his proposal.

CHAIRMAN WALLER: Can we finish up on that?

COUNCILWOMAN ERWIN: Yeah, I just want to throw that earthquake in there.

New Oil & Gas Lease – Friedel Petroleum Corporation: George Friedel

CHAIRMAN WALLER: Thank you. I'd like to go back to our agenda item, 4B. Mr. Friedel, I'm so sorry, but it's a learning experience for us all.

GEORGE FRIEDEL: It is. I appreciate you all allowing me here. Anyway, as Robin said, I guess that's open over there. So, what I was trying to tell you all was I've been exploring over there for a number of years, and I drilled that last dry hole, and wanted to offset that well, and we were wanting to take leases on two quarter sections, the SE/4 and NE/4 of 22, and we're going to drill the SE/4 first. There's a well that we drilled in 2012 and we're probably going to go over 500-600' and see if we can find some production. So, that's our plan. If that works, we want to drill a quarter to the north of it, next.

CHAIRMAN WALLER: You're encompassing both of the – I'm looking at the E/2 of 22. Go ahead, Councilman. (26:41)

COUNCILMAN CRUM: He's stepped up for everything that we've ever asked everybody. We're talking about 20% royalty; we're talking about a two-year lease. That's our standard, and he's stepping up and wanting to pay us \$50 per acre for lease bonus. I think he's hit all the marks that I ever make somebody get.

CHAIRMAN WALLER: I concur. Council, do we have anything else to add? Let's enjoy Wednesday. Do you want to suspend the rules, or do we wait until Wednesday? Councilman Crum.

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COUNCILMAN CRUM: I would say not suspend the rules. Let's go ahead and vote on it Wednesday, but whether he needs to be here or not, it'll be up to him, I guess, unless somebody in here thinks they want...

GEORGE FRIEDEL: I'd like to come back and learn about what I need to do, anyway.

COUNCILMAN CRUM: OK.

CHAIRMAN WALLER: Thank you, sir.

GEORGE FRIEDEL: Thank you guys. I appreciate it.

CHAIRMAN WALLER: Yes, Councilman.

COUNCILMAN CRUM: If we hadn't talked about it already, I'd like to, for the agenda, add items for Wednesday to show that we talk about the two rulings that we've come down with, since the last meeting. One, on the ethics, and also a month ago, voted to send a letter to the BIA to get a clarification on why they accepted the 2006 Constitution being how it was accepted by them. I think we need a response on that, and we should read that into the minutes, and discuss that on Wednesday. Will you take care of that for us? Council.

CHAIRMAN WALLER: I need that added under 'New Business,' and I want it separated out.

COUNCILMAN CRUM: Then, I think you're looking for a motion to adjourn.

COUNCILWOMAN RED CORN: I still have...

COUNCILMAN CRUM: I'm sorry.

Budget Committee:

CHAIRMAN WALLER: Councilwoman Red Corn.

COUNCILWOMAN RED CORN: Under Tab 7 is your budget for the C-395 with a resolution, and also S-510 with a resolution. So, if you would take a look at that. See if you see any changes that need to be made.

CHAIRMAN WALLER: We'll take care of that Wednesday, ma'am.

COUNCILWOMAN RED CORN: We'll take care of it Wednesday.

COUNCILMAN CRUM: I have one piece of information I'd like to have with this, for when we look at this, and that would be outstanding bills that we will not be taking care of, in this Fiscal Year, and carry over into the next Fiscal Year with this budget where we know how much we're paying for FY16 bills.

CHAIRMAN WALLER: Yes, sir. We need to get that out, anyway.

COUNCILWOMAN RED CORN: I think I have that.

CHAIRMAN WALLER: We do. You and I have talked about it. Councilwoman Erwin.

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COUNCILWOMAN ERWIN: I have a question on this 5091 about the Merit Increase. I don't think that's enough money.

CHAIRMAN WALLER: I'm glad you said that, because I think my staff, here, has been so valiant and loyal to us and hard-working, we need to take care of that.

COUNCILWOMAN ERWIN: I mean, that's just off the, I mean, I haven't seen one of these before, even though I'm on the Budget Committee. I hadn't seen any of these budgets.

CHAIRMAN WALLER: Yes, ma'am, and we're also reviewing the HR's effort, recommendation to take care of any issues of personnel.

COUNCILWOMAN ERWIN: OK.

COUNCILWOMAN RED CORN: But that did come from the Personnel, that amount.

CHAIRMAN WALLER: Councilman Crum.

COUNCILMAN CRUM: We can discuss this more fully on Wednesday.

COUNCILWOMAN RED CORN: We need to discuss it, now.

COUNCILMAN CRUM: OK. But what I was bringing up was, is that the merit increase, we have one employee that will be eligible for merit increases and we have another employee that – Are we looking to hire another employee that we are going to vote on, or advertise for. They would not get an increase until one year, so they would be in next year's budget. So this may reflect an accurate amount.

CHAIRMAN WALLER: As of this time. Councilwoman Boone.

COUNCILWOMAN BOONE: I just want to say for the record that I'm on the Budget Committee and I was not part of this budget. I didn't know anything about any budget meetings.

COUNCILWOMAN RED CORN: We didn't have one.

COUNCILWOMAN BOONE: Well, but, how did we get this, then?

COUNCILWOMAN RED CORN: I put it together.

COUNCILWOMAN BOONE: Well, as acting as one person on the committee, I would've liked to have been included, and the...

COUNCILWOMAN RED CORN: I worked with the Chairman on it.

COUNCILWOMAN BOONE: I'm just saying for the record I have not been a part of creating this budget, when I'm on the Budget Committee.

CHAIRMAN WALLER: And we should have you also call for a meeting. I did have a chance to review it, yesterday, and that's why we brought it to Council to hear exactly that comment. With that, anything anyone would like to add? Councilwoman Erwin.

COUNCILWOMAN ERWIN: Well, I still don't think 5091 was enough money.

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CHAIRMAN WALLER: Thank you, dear.

COUNCILWOMAN RED CORN: You will see in your budget, there's \$1 in, I forget what it's under, but that allows us to move money into that account, if we have to.

CHAIRMAN WALLER: Line item budget modification. It's still alive and well, here.

COUNCILWOMAN RED CORN: It is.

COUNCILMAN YATES: If Councilwoman Boone wants to have a meeting, we could have it Wednesday.

COUNCILWOMAN BOONE: Well, it's already a done deal. I'm talking about...

CHAIRMAN WALLER: No, it's not.

COUNCILWOMAN BOONE: I wasn't a part...I've already said it.

CHAIRMAN WALLER: Thank you.

COUNCILMAN YATES: I'm just saying the opportunity. We have a line item here, Analyst. Are we ever going to pursue that, or is that something we put in there?

COUNCILWOMAN RED CORN: Chairman? I did write the job description, and it's been out there for everybody to read. Nobody did anything about it.

CHAIRMAN WALLER: But that's not what he's asking. Yes, it has been left on there. OK, let me work it this way. I'm going to give one side of the room. Councilwoman Boone, go.

COUNCILWOMAN BOONE: I forgot what I was going to say.

CHAIRMAN WALLER: Good. Councilman Crum.

COUNCILMAN CRUM: My suggestion was that what happens normally when the budget comes up, if the Budget Committee wishes to have a meeting and present it that way, then what normally happens, the committee recommendation, and then we vote on it.

COUNCILWOMAN RED CORN: One comment.

CHAIRMAN WALLER: Yes.

COUNCILWOMAN RED CORN: This budget is just like last year's budget. Apparently not, did you say?

COUNCILWOMAN BOONE: We didn't have a Merit Increase, last time.

COUNCILWOMAN RED CORN: Oh, we didn't have any employees that had been here long enough to have one.

CHAIRMAN WALLER: That's true.

COUNCILWOMAN BOONE: I have a question.

CHAIRMAN WALLER: Yes, one last one.

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COUNCILWOMAN BOONE: Even though we've budgeted for a Petroleum Analyst, that \$89,160, is it not true that we've used that money in other places, other things?

COUNCILWOMAN RED CORN: Of course.

COUNCILWOMAN BOONE: OK. Thank you.


CHAIRMAN WALLER: Thank you, ma'am.

Councilwoman Erwin made the motion to adjourn, second by Councilwoman Boone.

MOTION PASSED: GALEN CRUM-YES, STEPHANIE ERWIN-YES, KATHRYN RED CORN-YES, TALEE REDCORN-YES, EVERETT WALLER-YES, ANDREW YATES-YES, CYNTHIA BOONE-YES, JOSEPH CHESHEWALLA-YES.

Adjournment – 12:44 P.M.

Approved:


Executive Administrative Assistant
Chairman

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