

**OSAGE MINERALS COUNCIL
REGULAR MEETING MINUTES
July 13, 2018**

1. Call to Order

Chair Harlan called the meeting to order at 10:04 AM.

2. Opening prayer and reading of deceased Osages

Councilman Waller gave the opening prayer. Councilman Yates read the names of the Deceased Osages.

3. Roll Call

Lacey Reynolds called roll. Council members present were: Susan Forman, Margo Gray, Marsha Harlan, Talee Redcorn, Paul Revard, Everett Waller, and Andrew Yates. A quorum is present.

Guests presents were: Jinx Geurin, Ray McClain, Jennifer Willis, Tim Lytle, Lou Phillips, Florence Bigheart Trantum, Robin Phillips, Janel Perry, Julie Malone, Patricia Bright, Marcy Graham, Joe Hall, Nona Roach, Cory Lornezo, Bruce Marlow, Shayne Marlow, Angela Pratt, Louis Gray, Pam Jester, and Lou Brock.

4. New business

a. Scout Energy

Jennifer Willis proposes two quarter sections, S/2 of 13-24-6. Oil and gas combination leases. Offering \$4,700 for each for a total of \$9,400 at 3/16 royalty. Discussion by Council on not separating coal bed methane in leases.

Motion by Councilman RedEagle to table this matter until Wednesday the 18th, seconded by Councilwoman Forman. (7 yeas, 0 nays)

b. Ag reserve

A representative was not present, Chair tabled until Wednesday the 18th.

c. Marlin Oil Co.

Bruce Marlin is proposing SE 7-24-9 and NE 7-24-9, there are two wells on each quarter. He would like to consolidate the proposed leases with an existing lease that he has on 8-24-9, this would allow him to cut the flow line in half. He is offering \$1,800 for Oil only for a total of \$3,600. The existing lease on 8-14-9 (Shoemaker) is a 3/16 royalty. Councilman Yates would like to look at the past reports. Councilman Redcorn would like to mention the lease sale, and asks the Superintendent if there is a lease sale coming up. Superintendent says that she believes there is one coming up in September. Director Lynn has met with Mr. Marlin and verified that this is about a half a barrel to one barrel a day lease, he can get some economics on this lease and get it to the Council before the next meeting. Councilman Yates requests that this be done on the Scout Energy proposal

as well. Councilman Redcorn asks the Superintendent if the Director can get this information. Superintendent says that she would have to have permission from the Oil company to release that information, because if not information would have to be redacted due to FOIA. Chair proposes Councilman Redcorn, Councilman Revard, Councilman Yates and the Director get together and create a procedure regarding this issue.

Motion by Councilman Redcorn to create a task force for the process of leasing, seconded by Councilwoman Gray. (7 yeas, 0 nays)

Motion by Councilman Yates to table this matter until Wednesday the 18th, seconded by Councilwoman Gray. (7 yeas, 0 nays)

d. GSA vehicle

Director Lynn speaks about the need for a GSA vehicle. The cost would be \$200 to \$800 a month. For a new suburban it would be \$40,000.

Motion by Councilman Redcorn to table this matter until Wednesday the 18th, seconded by Councilman Yates. (7 yeas, 0 nays)

Chair Harlan calls for discussion. Councilman Yates asks if there is a way to go through the Nation. Councilwoman Gray would like to look at alternatives.

e. Strategy Session dates

Chair Harlan would like to set a strategic planning date, expect for a full day. The Council is looking for two firms for strategic planning.

f. Discussion of bond procedure that producers pay

Councilwoman Forman would just like to know about the bond procedure that producers pay, and where the money is going. Superintendent Phillips would like to invite the new Council to the Agency to have each branch explain what they do. The process is if the lessee is not in compliance then they work with the individual through extensions and stuff. If they fail then the Bureau will step in and terminate the lease for failure to comply, and at that point collect on the bond. Chair Harlan acquires about the accountability on the bond money, to show where the money goes. Superintendent says they have only collected on one bond. Discussion on bonds, bond requirements, and the need for a larger bond. This will be left for the task force as well.

g. Superintendent Report

Councilwoman Forman would like to update the Superintendent's report to something more usable, and more results on the gas meter inspections. How many wells have been drilled? Councilwoman Forman is to supply the Superintendent with a sample form. Councilwoman Gray would like to have charts/graphs to show the trends in the reports,

the information is there, it just has to be done. Superintendent Phillips says that she has provided the director with all of the GIS. Councilwoman Gray would like for information to be sent already in a graph or something usable that way someone doesn't have to spend a whole day inputting the data. Superintendent states that she does not have the capability to do this. Councilwoman Gray says that this can be done in excel.

h. Remodel of OMC

Councilwoman Gray says that there is \$50,000 for a remodel after the mold.

Motion by Councilwoman Gray to table this matter until later in the afternoon, seconded by Councilman Redcorn. (7 yeas, 0 nays)

i. Use of gas powered vehicles by BIA

No representatives present.

Motion by Councilman Redcorn to table this matter until Wednesday the 18th, seconded by Councilman Yates. (7 yeas, 0 nays)

j. Letter of support for ONES

Motion by Councilwoman Gray to table this matter until Wednesday the 18th, seconded by Councilman Redcorn. (7 yeas, 0 nays)

k. Proposed bylaws

Chair Harlan announces that these are the bylaws and rules that the policy and procedure committee is bringing to the Council out of Committee. Councilman Redcorn says that his idea is that they should perform more like a board, these committees are taking the responsibilities of the staff, and the Chairman should run the meeting and set the agenda and that is it because it is one vote. He would also like to strike any language that is stated somewhere else. Chair Harlan says she was elected to an independent agency under the constitution, that comes with agency duties. Councilwoman Gray says that she believes in this document

Motion by Councilman Redcorn to table this matter until Wednesday the 18th, seconded by Councilman Yates. (7 yeas, 0 nays)

l. Proposed rules

Motion by Councilman Redcorn to table this matter until Wednesday the 18th, seconded by Councilman Yates. (7 yeas, 0 nays)

Motion by Councilman Redcorn to go into executive, seconded by Councilwoman Gray. (7 yeas, 0 nays)

Enter Executive: 12:13 PM

5. Executive

- a. Attorney contracts
- b. 638 contracting
- c. ENEL meeting
- d. Restructuring of OMC
- e. Headrights returned to Nation
- f. Auditor
- g. Budget

6. Old Business

Motion by Councilwoman Gray to exit executive, seconded by Councilman Redcorn. (7 yeas, 0 nays)

Exit Executive: 2:55 PM

Motion by Councilwoman Gray to approve the attorney contract from Eugene Bertman to serve as local Council, seconded by Councilwoman Forman.

MOTION PASSED: Councilwoman Forman- Yes, Councilwoman Gray- Yes, Chairwoman Harlan-Yes, Councilman Redcorn- Yes, Councilman Revard- Yes, Councilman Waller- No, Councilman Yates- Yes. (6 yes, 1 no)

Motion by Councilman Redcorn to table 638 contracting until Wednesday the 18th, seconded by Councilman Waller. (7 yeas, 0 nays)

MOTION PASSED: Councilwoman Gray- Yes, Chairwoman Harlan-Yes, Councilman Redcorn- Yes, Councilman Revard- Yes, Councilman Waller- Yes, Councilman Yates- Yes, Councilwoman Forman- Yes. (7 yes, 0 no)

Motion by Councilwoman Gray to direct the Chair to contact Fredericks law firm to identify who will be present at the meeting, seconded by Councilman Waller.

MOTION PASSED: Chairwoman Harlan-Yes, Councilman Redcorn- Yes, Councilman Revard- Yes, Councilman Waller- Yes, Councilman Yates- Yes, Councilwoman Forman- Yes, Councilwoman Gray- Yes. (7 yes, 0 no)

Motion by Councilman Waller to have the chair to request an inventory of all headrights that have been returned to the nation, seconded by Councilwoman Gray.

MOTION PASSED: Councilman Redcorn- Yes, Councilman Revard- Yes, Councilman Waller- Yes, Councilman Yates- Yes, Councilwoman Forman- Yes, Councilwoman Gray- Yes, Chairwoman Harlan-Yes. (7 yes, 0 no)

Motion by Councilman Waller to table Auditor until Wednesday the 18th, seconded by Councilman Waller. (7 yeas, 0 nays)

MOTION PASSED: Councilman Revard- Yes, Councilman Waller- Yes, Councilman Yates- Yes, Councilwoman Forman- Yes, Councilwoman Gray- Yes, Chairwoman Harlan-Yes, Councilman Redcorn- Yes. (7 yes, 0 no)

Motion by Councilwoman Gray to submit the budget to the office of the Chief and to Congress, seconded by Councilman Waller.

Councilwoman Gray says that they are just submitting the budget for the \$252,066 not the one million.

MOTION PASSED: Councilman Waller- Yes, Councilman Yates- Yes, Councilwoman Forman- Yes, Councilwoman Gray- Yes, Chairwoman Harlan-Yes, Councilman Redcorn- Yes, Councilman Revard- Yes. (7 yes, 0 no)

a. S&S Disposal

Director Lynn explains that there just needs to be a resolution by the Council to accept a payment plan.

Motion by Councilman Redcorn to approve the S&S payment plan, seconded by Councilman Revard.

MOTION PASSED: Councilman Waller- Yes, Councilman Yates-recuse, Councilwoman Forman- Yes, Councilwoman Gray- Yes, Chairwoman Harlan-Yes, Councilman Redcorn- Yes, Councilman Revard- Yes. (6 yes, 0 no, 1-recusal)

b. Well log library

Director is putting this out for discussion, the cabinets are bought already, it is just a matter of where to put them. Council asks for the exact square footage needed, and to be presented on Wednesday the 18th.

Motion by Councilman Waller to table this matter until Wednesday the 18th, seconded by Councilman Redcorn. (7 yeas, 0 nays)

c. Lease sale

Councilman Waller says that the 3rd Council upped the minimum bids on negotiations.

Motion by Councilman Redcorn to keep the current minimum bids, seconded by Councilman Revard.

MOTION PASSED: Councilwoman Gray- Yes, Chairwoman Harlan-Yes, Councilman Redcorn- Yes, Councilman Revard- Recuse, Councilman Waller- Yes, Councilman Yates- Yes, Councilwoman Forman- Yes. (6 yes, 0 no, 1-recusal)

d. IHS Data Agreement and PETRA license fee

Director Lynn says these programs are for the information for the website, and access to PETRA.

Motion by Councilman Redcorn to pay the renewal and licensing fees, seconded by Councilwoman Forman.

MOTION PASSED: Chairwoman Harlan-Yes, Councilman Redcorn- Yes, Councilman Revard- Yes, Councilman Waller- Yes, Councilman Yates- Yes, Councilwoman Forman- Yes, Councilwoman Gray- Yes. (7 yes, 0 no)

e. Biannual consultation

Chair would like to have the Council's questions and issues addressed in one email to the attorney.

f. PL account

Chair says a resolution is needed to have the money placed into the correct account.

Motion by Councilman Waller to release money back to the Bureau, in the amount of \$8,607.00, seconded by Councilman Redcorn.

MOTION PASSED: Councilman Redcorn- Yes, Councilman Revard- Yes, Councilman Waller- Yes, Councilman Yates- Yes, Councilwoman Forman- Yes, Councilwoman Gray- Yes, Chairwoman Harlan-Yes. (7 yes, 0 no)

7. Committee Reports

a. Plugging Committee

Motion by Councilman Redcorn to table this matter until Wednesday the 18th, seconded by Councilman Revard. (7 yeas, 0 nays)

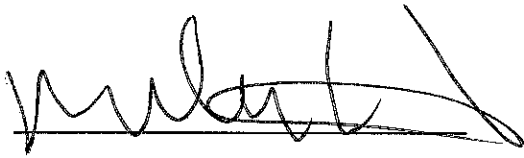
8. Adjournment

Motion by Councilman Waller to adjourn, seconded by Councilman Redcorn.

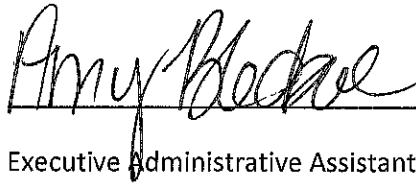
MOTION PASSED: Councilman Revard- Yes, Councilman Waller- Yes, Councilman Yates- Yes, Councilwoman Forman- Yes, Councilwoman Gray- Yes, Chairwoman Harlan-Yes, Councilman Redcorn- Yes. (7 yes, 0 no)

Adjournment- 2:55 PM

Approved by the 4th Osage Minerals Council on the 13 day of July, 2018.

A handwritten signature in dark ink, appearing to be "M. L. Smith", written over a horizontal line.

Chair

A handwritten signature in dark ink, appearing to be "Amy Blackie", written over a horizontal line.

Executive Administrative Assistant