

**OSAGE MINERALS COUNCIL
REGULAR MEETING MINUTES
AUGUST 10, 2018**

1. Call to Order

Chair Harlan called the meeting to order at 10:15 AM.

2. Opening Prayer and reading of the deceased Osages

Councilman Redcorn 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, Myron Red Eagle, Paul Revard, Everett Waller, and Andrew Yates. A quorum is present.

Guests presents were: Lou Phillips, Steve Mcnamara, Florence Bigheart Trantum, Ray McClain, Marlene McClain, JL Holt, Kevin Arthur, Nona Roach, Bob Knappe, Del Olivarez, Scott Ducharme, Tim Pinney, Chad Renfro, Greg kidder, Eugene Bertman.

4. Chair Report

Chair Harlan reports that she sent a letter to Chief Standingbear requesting a list of the headrights that have been returned to the Nation.

The AG did form an opinion on Councilman Revards' situation.

The Chair, Councilwoman Gray, Councilwoman Forman, and Councilman Revard traveled to Washington DC for a meeting with the Solicitor General regarding the ENEL Case. They will not know their opinion until they file in the Supreme Court. They also met with Vincent Devito regarding permits, ABB, and production. They also met with Acting Director LaCount, and went over the same information as they did with Mr. DeVito. Chair invited them and their staff to come and meet with the Council here in Pawhuska. The Council attended the meeting in OKC regarding the reorganization of the DOI, the Council will be filing a written response. The invoices for Fredericks Peebles & Morgan are extremely high, it has been forwarded to the AG for review.

Chief Standingbear reports on headrights that are held by the Nation. The money in these accounts are being held in the BIA, because they are awaiting instructions for distribution of funds, due to potential competing interests.

Motion by Waller to give the headright issue to the attorney, seconded by Councilwoman Gray. (7 yeas, 1 nay by Councilman Redcorn)

5. Committee Reports

Budget Committee- Councilwoman Gray reports that the have a budget modification, resolution for Buffalo Data. They are working on the grant, working on getting BoardBookIt, and they have budgeted for new computers for the Council.

Election Committee- Councilwoman Gray says that they have made sure that all of the bills are paid. Councilman Yates would like this committee to look into destroying the ballots.

Liaison Committee- Councilwoman Gray says that this committee hasn't met yet, and they are waiting until after the strategic planning date.

IT/Media Committee- The Committee is working on baffling, and improving the sound in the Chambers, getting Wi-Fi, sound engineer, BoardBookit, waiting on bids for electricians, Mark Cooper needs a no cost extension on his contract, working on a Facebook page, and updating the OMC Nations website.

Policy/Procedure Committee- Chair Harlan reports that the committee has not met since the last meeting.

Scholarship Committee- Councilman RedEagle reports that the Scholarship has selected its recipients in their last meeting.

Well Plugging Committee- Councilman Revard reports that the well plugging committee met on August 3rd. He reports that the orphan well list that they have is not accurate. There is not much they can do until they have access to well records. Councilman Yates says that there are currently 3 emergency well plugging's that need to be taken care of. The director says that the most important thing to find out is if there is a responsible party.

1906 Act Committee- Councilman Waller reports that they haven't met, but everyone has received the CFR's.

Natural Gas Committee- Councilwoman Forman reports that they are working on getting information.

Business Development Committee- Councilwoman Gray reports that they will really get this committee going after the strategic planning.

Legislative Committee- Councilman Redcorn is receiving scopes from the committee members, to set their scope before beginning work.

Beginning of break 11:22 AM

End of break 11:49 AM

6. New Business

a. Warrior/Performance Petroleum- Update on ABB

Robert Knappe speaks about the issues they are having regarding the American Burying Beetle issue. They would like to go back to the 1.2 acre threshold. Chair Harlan says that the Council began working on this issue when they were in Washington DC last month, and assures Mr. Knappe that this is a priority.

b. Candy Creek

Eric Blackshear is asking to revise the requirement of their EA's asserted by the BIA and fish and wildlife to conduct beetle surveys twice a year so that it is consistent with the federal guidelines that there is a survey requirement when you are going to do a disturbance of potential habitat.

Motion by Councilwoman Gray to submit letter of support in support of all quarries, seconded by Councilman Redcorn. (8 yeas, 0 nays)

c. BGI

Mr. McNamara represents BGI, they are asking for an extension on their lease. By resolution 3-140 they were granted an extension on their concession until February 19th 2019, there were commitment of 1 vertical well by February of 2018 and 2 vertical wells by February of 2019. They are asking for a four year extension, in turn they will reprocess seismic before December 31, 2019. After that they will drill 8 additional wells, bonus and royalty remain the same. As well as expand their infrastructure.

Motion by Councilman Yates to table until the 15th, second by Councilman Redcorn. (8 yeas, 0 nays)

d. Diamond 3S- 214 lease

They will be moving 611 cubic yards to backfill for remediation on the Bluestem Ranch, they are asking for a 214 lease waiver.

Motion by Councilman Waller to waive 214 lease, seconded by Councilman Yates.

MOTION PASSED: Councilwoman Forman- Yes, Councilwoman Gray- Yes, Chair Harlan- Yes, Councilman Redcorn- Yes, Councilman RedEagle- Yes, Councilman Revard- Yes, Councilman Waller- Yes, Councilman Yates- Yes. (8 yes, 0 no)

e. Public comment meeting- CFR regulations

Chair Harlan says the Council was invited to be involved in the rewriting of the CFR's by the Solicitor in DC. The Council would like to have some type of public comment from stakeholders.

Motion by Councilwoman Forman to move forward, second by Councilwoman Gray. (8 yeas, 0 nays)

Councilman Yates asks who will be involved in this. Chair Harlan says that it will be hosted by the Council, representatives from the Bureau will be invited to listen to the producers, and shareholder's comments.

Motion by Councilman Redcorn to create a committee for this, and that Councilman Revard and Councilwoman Forman be on the committee. (8 yeas, 0 nays)

Chair Harlan says that anyone can join this committee.

f. Scholarship announcements

Councilman RedEagle announces that the four Wah-Tiah-Kah Scholarship recipients were: Braden Edwards, Tyler Disidore, Gabriel Pelayo, and Lanayah Turley.

Motion by Councilman Yates to approve the scholarship recipients, seconded by Councilman Waller. (8 yeas, 0 nays)

g. 214 lease/ APAC

Chair Harlan reports that the Superintendent informed the Council that APAC is not in compliance. Chair would like to follow up with a letter to the BIA saying that the Council expects them to follow up on the damages that are due for their nonpayment, to demand the BIA put a lien on the property of the quarry. If they are unsuccessful with collecting that they will file suit as the trustee dating back to 1964. Chair asks for Council's approval to go forward with the correspondence.

Motion by Councilman Waller to send the letter, seconded by Councilwoman Gray. (8 yeas 0 nay)

h. Approval of expenditure for Culture Innovations

Motion by Councilman Waller to approve the Culture Innovations proposal, and it is subject to Osage law, seconded by Councilman RedEagle. (8 yeas, 0 nay)

i. Approval of contract for Skiatook Casino

Chair reports that the contract is for the strategic planning dates.

Motion by Councilwoman Gray to approve Skiatook casino contract, seconded by Councilman Waller. (8 yeas 0 nays)

j. Approval of budget modification

Chair reports that this is from closing the election account and moving the fund to other parts of the budget.

Motion by Councilman Waller to approve the budget modification, seconded by Councilwoman Forman. (8 yeas 0 nay)

k. Consultation with DOI

Chair reports that she is looking for authorization from the Council to provide written comments on the meeting.

Motion by Councilman Yates to provide written comments, seconded by Councilwoman Gray. (8 yeas 0 nay)

l. Approval of Buffalo Data contract

Councilwoman Gray reports that this is the no extension contract, this allows the Council to finish using the services. Mr. Bertman suggests that these contracts need to be subject to Osage law.

Motion by Councilwoman Gray to table the contract, seconded by Councilman Waller. (8 yeas 0 nays)

m. Approval of OMC remodel contract

Councilwoman Gray reports that the contract has been reviewed by Mr. Bertman.

Motion by Councilman Waller to approve the remodel contract, seconded by Councilwoman Gray.

MOTION PASSED: Councilwoman Gray- Yes, Chair Harlan-Yes, Councilman Redcorn-No, Councilman RedEagle- Yes, Councilman Revard- Yes, Councilman Waller- Yes, Councilman Yates- Yes, Councilwoman Forman- Yes. (7 yes, 1 no)

Councilwoman Gray says that this is coming from money that was allocated after the mold. Chad Renfro reports that the treasurer said this can also be used for office furnishings.

n. Authorization for gas reporting letter to Superintendent

Motion by Councilman Waller to submit the gas reporting letter, seconded by Councilman RedEagle. (8 yeas 0 nay)

Motion by Councilman Waller to go into executive, seconded Councilman Redcorn. (8 yeas 0 nays)

Enter Executive- 12:50 PM

7. EXECUTIVE

- a. Natural Gas Consultant
- b. Consultation w/legal counsel
- c. Headrights held by Osage Nation
- d. Proposed revision of lease verbiage
- e. OMC reporting requirements of BIA
- f. Committee tasks

8. Old Business

Exit Executive- 1:45 PM

Motion by Councilwoman Forman to table the revision of lease verbiage and OMC reporting requirements, seconded by Councilman Waller. (8 yeas 0 nays)

Motion by Councilwoman Gray to contract a reservoir engineer, and to go through the well plugging committee seconded by Councilwoman Forman. (8 yeas 0 nays)

Councilwoman Forman says she has invited Martindale Consulting to come in and give a presentation on Wednesday in Executive session.

Committee tasks will be moved to the policy and procedures committee.

a. Oil and Gas Summit

Christy RedEagle would like to start working on dates for oil and gas summit. Councilwoman Gray's committee will be working on how they can improve this, the oil and gas summit will be in December and will be discussed at the strategic planning date.

Motion by Councilwoman Gray to table until the first meeting in September, seconded by Councilman Redcorn

Councilman RedEagle would like to see the Summit in Tulsa again.

9. Public comments

Del Olivarez introduces himself, he is with GoExtracTech. He is proposing operations on orphan wells and bringing them back into production.

10. Adjournment

The Council choose business cards.

Motion by Councilman Waller to approve phones and laptops, seconded by Councilwoman Forman. (7 yeas 1 nay- Redcorn)

Motion by Councilman Waller to purchase Wi-Fi from the S510 account, seconded by councilman RedEagle. (7 yeas 1 nay- Redcorn)

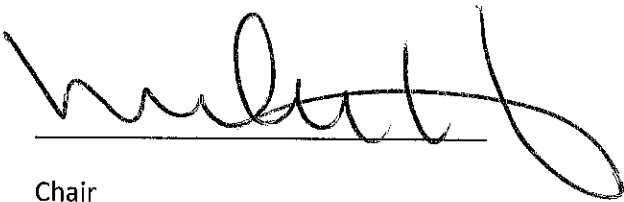
Motion by Councilman Waller to purchase Board Book It, seconded by Councilwoman Forman, (8 yeas 0 nay)

Motion by Councilman Redcorn to send Councilman Revard to NAPE, seconded by Councilman RedEagle. (8 yeas 0 nay)

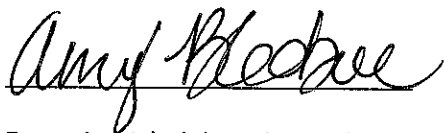
Motion by Councilman Waller to adjourn, seconded by Councilwoman Gray. (8 yeas 0 nay)

Adjournment- 2:05 PM

Approved by the 4th Osage Minerals Council on the 7th day of September, 2018.

A large, stylized handwritten signature in black ink, likely belonging to the Chair of the council.

Chair

A handwritten signature in black ink that reads "Amy Blodgett".

Executive Administrative Assistant