

**OSAGE MINERALS COUNCIL
REGULAR MEETING MINUTES
SEPTEMBER 7, 2018**

1. Call to order

Chair Harlan calls the meeting to order at 10:00 AM.

2. Opening Prayer

Councilwoman Gray gave the opening prayer.

3. Roll Call

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

Guests present were: Stan DeLong, Eugene Bertman, Ray McClain, Steve McNamara, Cecelia Tallchief, and Joe Hall.

4. Committee Reports

Budget Committee- Councilwoman Gray announces she will be having a Budget Committee meeting on Monday at 1:00pm to work on approving the budgets.

Election Committee- Chair Harlan would like to have a meeting set for disposal of records.

Liaison Committee- no report

It/Media Committee- Councilwoman Gray reports that the Committee has met twice since the last meeting. Councilwoman Gray expresses the need for an electrician. Chair Harlan authorizes Councilwoman Gray to speak with Tammy Leeper for the electrician. The request for bids went out for soundproofing and baffling. There were two bids, one has the equipment themselves. Chad Renfro will be ordering the carpet on Monday. The computers have come in, now IT will setup the computers. The Facebook is up as an information page, and they are establishing a date for new pictures.

Scholarship Committee- Councilman RedEagle would like to send a letter to the scholarship recipients.

Well plugging Committee- Councilman Revard reports that the Committee met on the past Wednesday. The Committee is prioritizing the emergency wells, the highest priority is the Shambles well. During the Committee meeting Councilman Redcorn made a motion to bring to the Council the need for a project specialist, which would prioritize the orphan well list. The Committee discussed the need to obtain a more accurate and up to date lists.

Councilman Yates believes there should be two committees for this, well plugging and orphan well. He would like to have the list published to the public. Councilman Revard agrees, he doesn't believe that the list is confidential. Councilwoman Forman agrees the list needs to be finalized before it can be released, and the DEMD grant can help with cleaning up the list.

1906 Committee- no report.

Natural Gas Committee- Councilwoman Forman reports that the Committee is awaiting a response from the Osage Agency from their information request for gas reporting.

Business Development Committee- Councilwoman Gray reports they have met, and went over a business protocol for receiving business requests or opportunities.

Legislative Committee- Councilman Redcorn says that he did receive information on the access permit.

Motion by Councilman Redcorn to separate orphan well from Well Plugging Committee, to form Orphan Well as a temporary committee, seconded by Councilwoman Gray.

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)

Motion by Chair that Councilman Redcorn chair the committee seconded by Councilman Waller. (8 yeas, 0 nays)

Committee members on the Orphan Well will be Councilwoman Gray, Councilman RedEagle, Councilman Revard, Councilwoman Forman.

Motion by Councilman Redcorn table the Business Development plan seconded by Revard. (8 yeas, 0 nays)

Councilwoman Gray is to distribute the business development plan list to Council via e-mail.

5. Chair Report

Chair Harlan reports that she sent the letter to the Superintendent regarding Candy Creek Crusher. She followed up with the public comment on the OMB collection of information. Follow up letter to Vincent Devito, however the just found out he has left the Department. Follow up letter to Darrell Lacounte asking them to visit the Osage. On September 4th Chair and Councilwoman Gray had a meeting with the Superintendent regarding permitting, the lease sale and quarries. Superintendent advised that she is reaching out to the Solicitor to collect that interest. Chair spoke to the Superintendent about categorical exclusions, and previous efforts.

Motion by Councilman Redcorn to have Counsel send letter to attorney for ABB, seconded by Councilwoman Forman.

6. Meeting Minutes

Motion by Councilman Redcorn to approve the August 10th minutes, seconded by Councilman RedEagle. (8 yeas, 0 nays)

Councilwoman Forman has questions on the process for making corrections, and adding information. Chair clarifies that adding to the minutes can be done by a motion to amend.

Motion by Councilman Waller to approve August 15th minutes, seconded by Councilman Redcorn. (8 yeas, 0 nays)

Motion by Councilwoman Gray to approve the August 30th minutes, seconded by Councilman Redcorn. (8 yeas, 0 nays)

7. New Business

a. One OK

Councilman Waller reports that this contract expires in November of 2018. OneOk will be at the September 19th meeting for further discussion.

Motion by Councilman Redcorn to table OneOk to the next agenda, seconded by Councilman Waller. (8 yeas, 0 nays)

Councilwoman Forman requests a copy of the contract.

b. Wellco

Stan Delong is requesting a resolution for a saltwater disposal easement on an abandoned horizontal well in NW/4 5-25-3.

Motion by Councilman Waller to approve the SWD easement for Wellco, seconded by Councilman Redcorn.

MOTION PASSED: Councilwoman Gray- Yes, Chair Harlan-Yes, Councilman Redcorn- Yes, Councilman RedEagle- Yes, Councilman Revard- Yes, Councilman Waller- Yes, Councilman Yates- Abstain, Councilwoman Forman- Yes. (7 yes, 0 no, 1 abstain)

c. Trespassing and Permitting

Motion by Chair Harlan to table permitting and trespassing to executive, seconded by Councilman Redcorn. (8 yeas, 0 nays)

d. Shareholder request

Chair reports that Charles Tillman has requested copies of audits from 2014 to current.

Motion by Councilman Redcorn to provide the information, seconded by Councilman Waller.

Mr. Bertman says that under the open records act if this is proprietary information, then the Council has to provide them with a statement saying that this is proprietary information not to be shared. That would be a requirement if it is considered proprietary information. Chair Harlan clarifies that it is an audit of oil and gas revenues that have been submitted monthly by the Superintendent to the OMC Auditor, Chair asks Counsel if he would consider that information proprietary. Mr. Bertman says if it identifies the individual businesses, then those individual businesses might consider it confidential and private. Mr. Bertman believes that Mr. Tillman is entitled to it as a stakeholder, but believes he is required to maintain confidentiality.

Chair asks for an amendment, that the matters are proprietary, and the chief will be allowed to see these documents in the office and sign a statement of non-disclosure. Amended by Councilman Redcorn.

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

e. ODOT

Motion by Chair Harlan to table until September 19th, seconded by Councilman Redcorn. (8 yeas, 0 nays)

f. Visit 3 affiliated

Chair Harlan reports that Councilwoman Gray has formed a business relationship with Chairman Mark Fox of the 3 affiliated. Chairman has invited the Council to come and see their oil and gas production. Chair Harlan requests the Council to review their calendars.

Motion by Councilman Waller to take a recess, seconded by Councilwoman Gray.

Time: 11:12 AM

Chair calls the meeting back to order at 11:23 AM

Chair explains any Councilmember can go on the trip, however they are not required to. The visit will be four days, 2 days of travel and 2 days on site. Chair proposes October 17th-20th. Councilmembers attending will be Susan Forman, Marsha Harlan, Margo Gray, Paul Revard, Everett Waller, and Andrew Yates.

Chair makes a motion to follow up with Chairman Fox for October 10-13 and 17-20. Chair reports that Councilwoman Gray has started drafting the letter, it will be submitted today.

Motion by Chair Harlan to travel to 3 affiliated in North Dakota, seconded by Councilman Waller.

MOTION PASSED: Councilman Redcorn- No, Councilman RedEagle- No, Councilman Revard- Yes, Councilman Waller- Yes, Councilman Yates-Yes, Councilwoman Forman- Yes, Councilwoman Gray- Yes, Chair Harlan-Yes. (6 yes, 2 no)

g. OMC listening session

Motion by Councilwoman Forman to host a listening session coinciding with the bi annual, seconded by Councilwoman Gray. (7 Yeas, 0 nays, Councilman Waller out of the room)

h. Language for oil and gas leases

Councilwoman Forman makes a motion to table language until the new CFR's are in place, seconded by Councilman Redcorn.

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

i. Oklahoma City oil and gas expo

Director Lynn reports that DEMD has bought 2 booths at the OKC Expo, on October 11th.

Motion by Councilman Redcorn to approve travel for any Council person that would like to go, seconded by Councilwoman Forman.

Councilwoman Gray addresses that this date does overlap with one of the choices for the 3 affiliated visit.

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

j. Hire project specialist

Motion by Councilman Revard to hire a project specialist, seconded by Councilman Redcorn.

Councilwoman Forman reports that the Committee had talked about an OERB trained person that would be less expensive than going out and hiring a consultant. Mr. Lynn says a Petro Tech trained person would be ideal for this project.

MOTION FAILED: Councilman Waller- Yes, Councilman Yates-No, Councilwoman Forman- Yes, Councilwoman Gray- No, Chair Harlan-No, Councilman Redcorn- Yes, Councilman RedEagle- No, Councilman Revard- Yes. (4 yes, 4 no)

Motion by Chair Harlan to put the project specialist on the September 19th agenda, seconded by Councilwoman Gray.

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

k. Add two individuals to Orphan Well Committee

Motion by Councilman Redcorn to table until the October 5th meeting, seconded by Councilman Waller.

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)

l. Kansas property

Chair Harlan reports that this is on the agenda for informational purposes only. There was a 1,000-acre ranch in Chase County Kansas that was deeded to the annuitants. The Chair is trying to pinpoint the details of the lease with Donnie Swift. Councilman Waller reports that it is a 1-year lease.

Motion by Councilman RedEagle to go into executive, seconded by Councilwoman Forman. (7yeas, 1 nay by Councilman Redcorn)
Enter Executive: 12:24 PM

8. EXECUTIVE

- a. Personnel
- b. Legal matters

9. Old Business

Motion by Councilwoman Gray to come out of Executive, seconded by Councilman Waller. (8 yeas, 0 nay)

Time: 2:41 PM

Chair reports that there was discussion on permitting and legal matters with counsel. there was discussion on personnel issues and restructuring. Councilman Redcorn was not available for a portion of the discussion, when he returned he got a brief recount of the discussion.

First was discussion on restructuring to eliminate the Director position.

Motion by Councilman Waller to eliminate the Director position, seconded by Councilman Revard.

Councilman Redcorn expresses that he believes it is imperative to have a Director in this organization, and he does not see how the Council can function without it.

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)

Motion by Councilman Waller to have Mr. Lynn serve as the Council's geologist, and the project specialist for the DEMD grant, seconded by Councilwoman Forman.

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

Motion by Chair Harlan to have a special OMC meeting on Sept 26th immediately following the lease sale, seconded by Councilman Waller. (8 yeas, 0 nays)

Motion by Councilwoman Gray to hire Galen Crum as the auctioneer, seconded by Councilman Waller. (8 yeas, 0 nays)

Motion by Councilwoman Gray to send a letter to 3 affiliated accepting their invitation, Seconded by Councilwoman Forman. (8 yeas, 0 nays)

Motion by Councilman Yates to send a letter to the Superintendent requiring SilverSpoke to get a lease, seconded by Councilwoman Forman. (8yeas, 0 nays)

a. BGI

Mr. McNamara has returned to the Council with a revised proposal. BGI is now offering \$48,000 as a bonus for the extension, to 5 years and increased the

commitment to 3 wells per year totaling 15 wells. BGI is asking for a carry forward credit regarding the wells drilled commitment. The concession covers 34,000 acres. Councilman Yates proposes a 3-year term. Councilman Revard is agreeable to the offer.

Motion by Councilwoman Forman to accept the offer as is, seconded by Councilman Revard.

MOTION FAILED: Councilman RedEagle- No, Councilman Revard- Yes, Councilman Waller- No, Councilman Yates- No, Councilwoman Forman- Yes, Councilwoman Gray- No, Chair Harlan-No, Councilman Redcorn- No. (2 yes, 6 no)

b. Old Oil Derrick

Discussion on the oil derrick, consensus it the oil derrick is in bad shape, Councilman Waller is to see if there is anything salvageable from the exhibit.

c. Buffalo Data Contract

Motion by Councilwoman Gray to send the contract back to Committee and be placed on the September 19th agenda, seconded by Councilman Waller. (8 yeas, 0 nay Councilman Redcorn out of the room)

Mr. Lynn says that this is a contract for Mark Cooper annually to run the website.

Motion by Councilwoman Gray to approve the amended contract for Buffalo Data for \$425 a month, seconded by Councilman Waller. (8 yeas, 0 nays Councilman Redcorn out of the room)

d. Historical Exhibit

Motion by Councilman Waller to table to the October meeting, seconded by Councilman Yates. (8yeas, 0 nay)

e. Oil and Gas Summit

Councilwoman Gray has spoken with the Osage Casino Tulsa for December 12th and 13th for Summit.

Motion by Councilman Waller to create a Summit Committee, seconded by Councilwoman Gray. (8yeas, 0 nay)

Chair Harlan announces that the Committee will be cochaired by Councilwoman Forman and Councilwoman Gray. Committee members will be Councilman Redcorn and Councilman Yates

Motion by Councilman Waller to create a summit committee, seconded by Councilwoman Gray.

Councilwoman Forman and Councilwoman Gray will co-chair.

f. Lease Sale

Motion by Councilman Redcorn to have a lease sale at the Summit on the 12th in Tulsa, seconded by Councilman Yates.

MOTION PASSED: Councilman Redcorn- Yes, Councilman RedEagle- Yes, Councilman Revard- Yes, Councilman Waller- Yes, Councilman Yates- Yes

Councilwoman Forman- Yes, Councilwoman Gray- Yes, Chair Harlan-Yes. (8 yes, 0 no)

10. Audience Participation

Christy Redeagle inquires about her role in the Summit. Chair advises that she can participate.

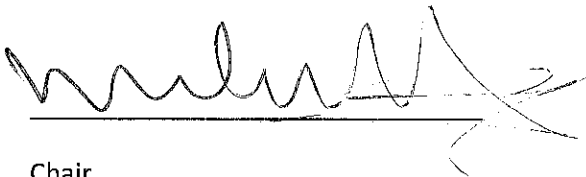
Yancey Redcorn says he and his partner has just finished digitizing the surface land in Osage County, and was just here to do some due diligence on the access to well records. The Council has a consensus on sending Mr. Redcorn to the Business Development Committee.

11. Adjournment

Motion by Councilman Waller to adjourn, seconded by Councilman RedEagle. (8 yeas, 0 nays)

Adjournment: 3:26 PM

Approved by the 4th Osage Minerals Council on the 19th day of September, 2018.

A handwritten signature in black ink, appearing to be "Waller", written over a horizontal line.

Chair

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

Executive Administrative Assistant