

**OSAGE MINERALS COUNCIL
REGULAR MEETING MINUTES
NOVEMBER 2, 2018**

1. Call to order- Chairman Waller

Chairman Waller calls the meeting to order at 10:02 AM.

2. Opening Prayer

Councilman RedEagle 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.

Guests present were: Jim Kunard, Nona Roach, Kyle Johnson, Roy Fletcher, Candy Thomas, and Christy RedEagle.

4. New Business

Chairman Waller adds personnel bonus and producer of the year to the end of the agenda.

a. IHS

Ashley Bailey explains IHS Market, their main objective is anything oil and gas information. To make the information available to operators, and anyone interested in the information. Ashley Bailey explains their history in Osage County and their struggles with API numbers in Osage County. The tax commission implements numbers, but that number can apply to more than one well. Councilman Yates asks about the costs for the Council for using the information. Ms. Bailey explains that the usage would be free for the Council, and last indefinitely. Councilman Redcorn speaks about the decline in Osage County since 2010. Ms. Bailey explains IHS has 43,000 well spots, that is a problem with some of the data that the Council has. Chairman Waller speaks about the weekly operations report list that the public used to get. Councilman Revard ask what exactly is being offered. Ms. Bailey explains that they have some spots and API numbers that can be placed on a map. On the second page of the agreement is what IHS is going to provide to the Minerals Council, and what the Minerals Council is going to provide IHS. The Minerals Council would provide the historical records that the Council does have. Chairman doesn't believe that this agreement is going to fly. Councilman Redcorn speaks for the agreement. Chairman sees the council taking this effort with a little different angle.

Chairman calls for a break at 10:40 AM.

Chairman calls the meeting back to order at 10:50 AM

b. Iron Hawk Energy Group

Sid Anderson explains that on October 5th 2018 they received a letter saying that their lease was terminated on February 6th 2018. The well on this lease is already drilled. Iron

Hawk is requesting a 90-day extension from the day the permit was issued to complete the wells. Councilwoman Harlan asks how the OMC is going to extend a lease that has been terminated 9 months ago. Chairman Waller says it comes back to the Council after the appeal. Councilman Revard explains that the Superintendent has stated that she doesn't have the ability to extend a lease. Mr. Anderson will come back after the appeal process. Chairman agrees. Councilwoman Forman confirms that the retroactive date was due to a backlog at the BIA. Councilwoman Harlan asks what the termination date would have been, and if it was around February 2018. Mr. Anderson explains that the original lease was from 2013 and was a 3-year lease so it would've been sometime in 2016. Councilwoman Forman would like to see Iron Hawk back after the appeal process.

Motion by Councilwoman Harlan to demand the Superintendent to provide a list of leases and their termination dates, seconded by Councilman Revard.

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

c. November's Wednesday meeting date

Chairman Waller proposes changing the next meeting date to November 14th.

Motion by to Councilwoman Harlan to move the date to November 14th, seconded by Councilman RedEagle.

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

d. Scout Energy

Mr. Lynn presents that Scout is asking for a saltwater disposal easement on the Shaw-421. Councilman Revard clarifies that this is just renewing an easement.

Motion by Councilman Redcorn to approve the saltwater easement for the Shaw 4-21, seconded by Councilwoman Gray.

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

e. PE Osage

Mr. Fletcher is proposing to extend his waterflood to include three new quarter sections that they are obtaining from another company, to be finalized next week. As well as one other quarter section. Councilman Redcorn asks what their current production is in Osage. Mr. Fletcher believes that they are at 13 barrels a day on the Breene unit, and expect 20 barrels a day on the Whizbang, including their inquiry today. Councilman

Redcorn asks Mr. Lynn to assess this situation before the next meeting. Chairman moves this item to the next agenda.

f. Letter request for DEMD

Councilwoman Forman explains that this is a result from a conversation with Roger Knight at the OKC expo.

Motion by Councilwoman Forman to approve the letter requesting DEMD to perform the work requested in the attached letter, seconded by Councilman Redcorn.

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

g. BGI Resources

Cara Dillon from BGI is requesting a five-year extension, in return with the commitment to drill 15 new wells and submit seismic. If the Council does not want to go with the five-year extension they have two counter offers. The two counter offers are drilling 3 new wells for a one-year extension, or 6 new wells and two new leases for a two-year extension. Chairman would like to move this onto the next agenda, November 14th.

Motion by Councilman Redcorn to go into executive, seconded by Councilwoman Forman.

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

Enter Executive: 11:49 AM

5. EXECUTIVE

- a. Accounting
- b. Oil and Gas legal counsel

6. Old Business

Motion by Councilwoman Harlan to come out of executive, seconded by Councilman Redcorn.

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

Exit executive: 12:47 PM

Motion by Councilwoman Harlan to honor the Auditor, seconded by Chairman Waller.

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

a. BBR Corp Wells

Motion by Councilwoman Forman to delay the plugging of these wells until the Superintendent performs her obligation under the lease language, seconded by Councilman RedEagle.

Councilwoman Harlan asks what BBR stands for. Councilman Revard answers Biddick, Biddick and Revard. Councilwoman Harlan asks if that is Paul Revard? Councilman Revard says no, it was his father.

MOTION PASSED: Councilman Yates- Yes, Councilwoman Forman- Yes, Councilwoman Gray- No, Councilwoman Harlan- Yes, Councilman Redcorn- Yes, Councilman RedEagle- Yes, Councilman Revard- abstain, Chairman Waller- No. (5 yes, 2 no, 1 abstain)

Chairman Waller asks for the staff anniversary bonus.

Motion by Councilman Redcorn to approve the bonus, seconded by Councilman Yates.

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

Councilwoman Harlan inquires on if BBR has appealed? No consensus is reached.

Motion by Councilwoman Harlan to recall the BBR resolution and stay action pending further review, seconded by Councilwoman Gray.

MOTION PASSED: Councilwoman Gray- Yes, Councilwoman Harlan- Yes, Councilman Redcorn- No, Councilman RedEagle- No, Councilman Revard- abstain, Chairman Waller- Yes, Councilman Yates- Yes Councilwoman Forman- No. (4 yes, 3 no, 1 abstain)

b. Biannual consultation

Motion by Councilman RedEagle to approve the bi annual agenda with the amendment of adding landowner rights, seconded by Councilwoman Harlan.

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

c. Oil and gas summit

Chairman announces they will need to choose a producer of the year. Councilwoman Gray goes over the draft agenda for Summit. Councilman Revard asked Mr. Anderson if he would be interested in giving a presentation on ABB. Councilman Redcorn asks for Councilwoman Gray to head up the roundtable. Councilman Revard would like to have the producers be invited, maybe a postcard. Discussion Chairman recommends sending to past registrants, sending them the agenda and registration form.

d. Signatory

Chairman moves this to the next agenda.

e. Committee reevaluation

Councilman RedEagle and Councilman Redcorn would like to lower the committee meetings. Councilwoman Harlan speaks for keeping the committees. Councilman Redcorn believes that they can do everything without committees, the full council has the authority. Councilwoman Gray speaks for keeping the committees as they are needed.

Motion by Councilman Redcorn to have Chairman propose changes to the committee list and bring it back to the next meeting, seconded by Councilwoman Harlan.

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

7. Meeting minutes

Motion by Councilwoman Harlan to approve the October 17th, 2018 minutes, seconded by Councilman Redcorn.

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

8. Committee reports

Motion by Councilwoman Harlan to have the committee reports circulated via board book it, seconded by Councilman Redcorn.

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

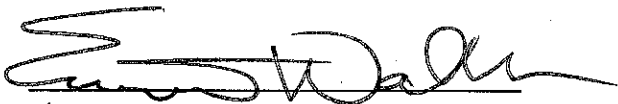
Chairman Waller requests a picture before the next council meeting.

9. Adjournment

Motion by Councilwoman Harlan to adjourn and allow the Chair to approve the producer of the year, seconded by Councilman RedEagle.

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

Approved by the 4th Osage Minerals Council on the 14th day of November, 2018.



Chairman



Administrative Assistant