

**OSAGE MINERALS COUNCIL
REGULAR MEETING MINUTES
FEBRUARY 20, 2019**

1. Call to order- Chairman Waller

Chairman Waller calls the meeting to order at 11:07 AM.

2. Opening Prayer and Reading of deceased Osages

Councilman RedEagle gave the opening prayer, and 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 RedEagle, Paul Revard, Everett Waller, and Andrew Yates.

Guests present were: Michael Gordon, Gene Bowline, Norma Standridge, Erin Rasmussen, Nona Roach, Candy Thomas, David Mullon, Chief Standingbear, Jim Trumbly, Florence Bigheart Trantum, Janel Perry, Brandon Savage, Gus Riveiro.

4. Accountant Report

Pam Jester reported there is currently \$47,866.89 in the S510 and \$944,746.79 in the C395. Chairman explains that there is a larger amount in the C395 due to the potential of a government shutdown. The Auditor report will be ready at the March 1st meeting.

5. Superintendent Report

Superintendent Winlock Reported: Branch of Field Operations:20-Trucking Permits Prepared, 1-Restricted Landowner Letters Prepared, 9-Leases checked for production and primary term, 61- Lease Inspections,61-Lease Inspection/Followup,18-Gas Meter Provings, 1-Damage Appraisals, 11-Tank Trucks Checked for Permit, 35-Tanks Strapping's witnessed, 110-Landowner/Lessee Meetings, 8-Complaints, 17-Spills and leaks Inspected, 29-Spill/leaks inspection/Follow ups, 3-OERB Assessment/Evaluations, 83-Tanks Gauged, 1-Tank Bottom Removals Witnessed, 9-Run Tickets Figured, 18-Gaugers Calculations vs. Purchaser's Calculations. The branch of lease management reported: 45 pending approvals for new leases, 26 approvals for assignments, 35 approved division orders, 24 lease terminations. 18,090 less 3,234 for SWD and other wells for a total of 14,856. Under part 214 leases that sold the most in November were APAC- 22,412 tons for \$22,255. Burbank Materials-9,639 tons for \$10,217, Candy Creek Crusher- 12,631 tons for \$9,638. December, APAC- 24,810 tons for \$23,740. Burbank Materials-8,678 tons for \$8,765. Candy Creek Crusher- 10,333 tons for \$7,946. There were no FOIA or non FOIA requests. The Branch of Subsurface Minerals reported: 0 approved drilling permits, 0 approved workover plugging, 0 approved plugging permits, 0 approved seismic permits. There are 51 pending permits. There were 6 wells completed. The branch of Accounting reported: The three top producers under 25 CFR part 226 were: Chaparral- 71,732 barrels, Ceja- 22,127barrels, Performance Petroleum- 16,925 barrels. The Branch of enforcement and lease compliance reported: 0 EA's received for 214 leases, 0 EA's received for APD's, 0 on site EA visits, 2 EA's approved for APD's 2 EA's

published, 17 noncompliance letters, 7 non production letters, 0 fine letters, 0 penalty letters, 15 extension letters, 0 remediation letters, 0 final notice letters, 0 spill notice letters, and 1 exemption approval letters. There was a government shutdown during this month. Councilman Revard questions the completed wells, Mr. Winlock reports that they are listed because they just turned in the completion reports. Councilman Yates believes that there was a lot of distress during the shutdown over changing purchasers. Councilman Redcorn would like to get down to what the issue is on why production is so low, he is going to work on an assessment.

Chairman Waller calls for a break at 11:42 AM

Chairman Waller calls the meeting back to order at 11:59 AM.

6. New Business

a. David Mullan-TERA

Chief Standingbear introduces David Mullan, an attorney for the Osage Nation. Mr. Mullan speaks about a new law under Senate Bill 245, which changes the original Tribal Energy Resource Agreement. Council will discuss the matter further in executive.

Chairman Waller calls for a break at 1:11 AM.

Chairman Waller calls the meeting back to order at 1:34 PM

b. John Long- new lease

Norma Standridge proposes a new lease with a 2-year primary term, a bonus of \$6,500 and a royalty at 20% on NW 26-26-9.

Motion by Councilman Redcorn to accept John Long's proposal for an oil and gas lease in 26-26-9, seconded by Councilman RedEagle.

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. PSO

Michael Gordon explains that PSO is needing to rebuild an electric line. Councilwoman Harlan addresses that they will just be replacing existing poles within an existing ride away, she doesn't see an issue here. Councilman Redcorn requests an estimate on how much dirt will be being moved. It is established that the dirt will not be leaving the right of way. The Council requests Mr. Gordon to send an email outlining more information.

d. Letter concerning information and attorney and BIA

Motion by Councilwoman Harlan to send a letter to the superintendent authorizing information to be shared with legal counsel, seconded by Councilman Redcorn

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)

e. TEDC Grant

Councilwoman Gray needs to know if or how many business studies have been done in the past. These studies would show the need to apply. This grant is due March 15th, 2019. Councilwoman Gray indicates that she spoke with Johnna Oberly who works in Lakewood Colorado, and has offered her assistance. Councilwoman Gray will be working with Councilwoman Harlan to complete the application, and bring a draft to the next meeting. Councilman Revard asks what the feasibility study would be for. Councilwoman Gray says that this could be for anything. Currently there are no laws within the legislative body regarding the mineral estate. Councilman Redcorn believes that this could help getting started on the TERA. Candy Thomas informs that the deadline has been extended to May 10th, 2019 due to the government shutdown.

f. ABB- future monitoring under tribal authority

Motion by Councilman Redcorn for Councilman Redcorn to do an exploratory meeting with himself, two other OMC members, Congress and the Chief, ABB experts, in the beginning of March, 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)

g. DEMD

Councilman Redcorn and Councilman RedEagle are looking to complete a grant for enhanced oil recovery, the grant is due on March 15th. Chairman moves to the March 1st agenda.

h. IHS

Councilwoman Forman is proposing that the Council purchase 18 months of natural gas liquids published market prices. These numbers are what Councilwoman Forman has used for her natural gas comparison. Council reaches a consensus that the address on the quote will be updated to the OMC office.

Motion by Councilwoman Forman to purchase natural gas information from IHS for \$422.50 if it is not included in the data exchange agreement, seconded by Councilman Yates.

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)

Motion by Councilwoman Gray to go into executive, seconded by Councilwoman Harlan.

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)

Time: 2:17 PM.

7. Executive

- a. Chief Standingbear- DOI Secretary Bernhardt
- b. Broadband

8. Old Business

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

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)

Time: 5:34 PM

Chairman Waller announces there are no votes coming out of executive.

a. ODOT MOU

Chairman Waller reports they are currently waiting on the Attorney General review on this.

Motion by Councilwoman Harlan to forget the attorney general review, and to send to the OMC attorney with a deadline of March 1st, 2019, 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)

b. Scout Energy

Motion by Councilwoman Harlan to table Scout to March 1st, seconded by Councilman Redcorn.

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. EnergyNet

Mr. Savage explains the company conducts online lease sales for oil and gas lease sales. Their company has historically increased revenues on average of 40%. Mr. Savage has communicated with the BIA over the questions that were previously presented. The BIA recommended that the Council could pass a resolution that said the Council may conduct lease sales through a 3rd party vendor, may accept electronic transfers as payment. Councilman Revard addresses the issue for outside producers to get information. Councilman Yates believes that the BIA was willing to provide records for the leases that are up.

Motion by Councilwoman Harlan to table until March 1st, for further review, seconded by Councilman Redcorn.

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

d. NCAI Report

Councilwoman Gray reports on her trip to Washington DC. Councilwoman Gray attended the Tribal lands Workgroup, and focused on federal permitting issues. During the comment period she informed the group about the permitting challenges at Osage. She attended an honor reception for Rep. Deb Haaland and Rep. Sharice Davids and during the event she spoke with both US Representatives concerning Osage Minerals Estate challenges with the ABB. Deb Haaland requested a follow up meeting with her and staff. Councilwoman Gray met with Congressman Tom Cole and Representative Frank Lucas, she made sure to thank them for their efforts for the orphan well plugging money.

Councilman RedEagle would like to get on the next NCAI agenda.

e. Travel

Councilwoman Gray speaks on the need for the Council to take over their own procurement and travel. Recommended to move to the policy and procedures committee.

f. Credit Card

Chairman Waller says that the Council needs a credit card for travel. Recommended to send to the policy and procedures committee.

Councilwoman Gray recommends sending travel, vehicle, and credit card to policy and procedures committee.

g. PL Account

Chairman Waller tables the PL account to the March 1st agenda.

Motion by Councilwoman Harlan to table the PL account, seconded by Councilwoman Forman.

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)

h. Committee Revaluation

Motion by Councilman Redcorn to table the reevaluation to the March 1st agenda, seconded by Councilwoman Harlan.

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)

i. Vehicle Policy

Recommended to send to the policy committee.

j. Oklahoma Land Commission

Motion by Councilwoman Forman to table Oklahoma Land Commission to March 1, seconded by Councilwoman Harlan.

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)

9. Meeting minutes

a. Amendment to January 4, 2019

Consensus that an amendment is not needed.

b. Approval of February 1, 2019

Motion by Councilwoman Harlan to approve the February 1st minutes, seconded by Councilman RedEagle.

MOTION PASSED: Councilwoman Forman- abstain, Councilwoman Gray- Yes, Councilwoman Harlan- Yes, Councilman Redcorn- Yes, Councilman RedEagle- Yes, Councilman Revard- abstain, Chairman Waller- Yes, Councilman Yates- Yes. (6 yes, 0 no, 2 abstain)

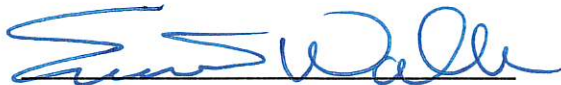
10. Adjournment

Motion by Councilwoman Harlan to adjourn, seconded by Councilman Redcorn.

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)

Time: 6:32 PM

Approved by the 4th Osage Minerals Council on the 1st day of March, 2019.

A handwritten signature in blue ink, appearing to read "Steve Waller", written over a horizontal line.

Chairman

A handwritten signature in blue ink, appearing to read "Amy Bledsoe", written over a horizontal line.
Administrative Assistant