

**OSAGE MINERALS COUNCIL
REGULAR MEETING MINUTES
SEPTEMBER 6, 2019**

1. Call to order

Chairman Waller calls the meeting to order at 10:09 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

Lacee called roll. Council members present were: Susan Forman, Margo Gray, Marsha Harlan, Myron RedEagle, Paul Revard, Everett Waller, and Andrew Yates. Talee Redcorn arrived right after roll call. Guest present were: Patricia Smith, Jenny Butthram, Wylie David, Teresa Bates Rutherford, Beverly Brownfield, Rhonda Wallace, and Nona Roach.

Chairman Waller says that on September 25, 2019 the EPA will hold an informative public meeting for questions and answers from 5:30pm-6:30pm followed by a public hearing at 7:00pm proposed actions at the Pawhuska High school Lecture Hall at 621 E. 15th St. Pawhuska, OK 74056. Comments draft permits and modifications may be submitted to the Dallas office the end of the public comment period which ends on the conclusion public of the hearing September 25.

4. New Business

a. Well Plugging

Patricia Smith is asking for the Council to approve the plugging of three wells, and that there has not been action taken on the wells, and that she has drill stems along with caps sticking out of the ground. Patricia says one is a priority and that Mr. McGuire said the other two were not on the priority lists. Councilman Redcorn says he inquired to Councilman Revard that he understands the three wells are on the list Mr. Lynn has submitted to the Council so he recommends that the Well committee start acting on this list, get them plugged and as he sees fit prioritized. Councilman Revard says with regards to the one that the Superintendent has already deemed to be a priority, he was told they present with Tammy Leeper this well and maybe several others that they identify and ask for a waiver of the formal bidding process that takes a significant amount of time for them to acknowledge that these are emergency wells, and then we can access the funds that Councilman Yates had mentioned in some of our recent correspondents. Councilman Revard says we have two accounts that is a Well Plugging account with \$12,000 in it that might plug one well without complications but the other is a Well Remediation account with a \$170,000 in it, and wants to as Tammy Leeper is if they are allowed to use well remediation funds to plug wells.

Motion by Councilwoman Gray to go for a sole source which is justified by the BIA letter for Well numbers 11, 12, and 1B to be plugged immediately, seconded by Councilman Revard. Councilman Yates says the Well Plugging committee is for emergencies only and priority so they could go for 11, and it is for emergency, health, environmental, and public safety.

Councilwoman Gray wants to amend her motion to 11 to meet the criteria as health, safety, and environmental. Councilman Redcorn says during their survey the orphan wells Bill Lynn found four with high fluid levels and his definition meets the criteria and he calls them emergency and I'll instruct him to send that list immediately, he doesn't know if we need feedback to say that these are wells that need to be plugged but he would like to entertain that they add those four to this list and start plugging wells. Councilman Redcorn says if they want an additional survey for feedback from the BIA he recommends that they alter the resolution to include the four per BIA's approval then we got five on the list.

Councilwoman Gray wants to amend her motion to include those four so it will be a total of five to get identified for the resolution. Councilman Redcorn says per approval, Bill Lynn is calling them emergency, and he wants them to call them emergency too before they start plugging. Councilman Yates says that they just deal with this one right now then get those identified then have the BIA send those to us and send it to where it should go which is committee first which we haven't had a committee meeting, and it needs to be sent to committee, vetted, and then sent back for full council approval. Councilman Yates says if it's an emergency they don't send it to full council, we just hire a contractor, and usually have one or two on board, send it to them, and they take care of it. Councilman Yates says they want feedback from the Bureau who have to identify the tag agency and when they do that, they send it to us, we approve it, decide who the vendor/contractor is and get it done, and it never comes to full council, we may report on it. Councilman Redcorn says his recommendation is with five wells they could start plugging wells, and that they're sitting around too long. Councilman Yates says there's several wells on the list that have been sitting for over a year. Councilman Yates says those are our funds, they and Pam has said that well head remediation is okay to use for plugging.

Councilman Revard says he would like to add the Performance well on the agenda to the list.

Councilwoman Harlan says Councilwoman Gray will need to amend her resolution and Councilman Revard if they don't have an amended second they will need that. Councilwoman Gray says we are looking at Mrs. Smith's number 11 and that she still feels that they should take the four other in emergency as well as Performance, address emergency wells through sole source then utilize our Well Plugging and Well Head Remediation money that meets the requirements of safety, health, and environmental. Councilwoman Harlan says we're trying to get the Well Plugging committee necessary steps so that they can have something to present to Miss Leeper to do the sole source, we're also trying to say to the Well Plugging Committee the council deems these wells to be the most priority wells that we want you to go after first, we're not taking authority away from the Well Plugging committee, and that she doesn't know why they haven't met, but this is directed from the council to plug these immediately on the basis of their status, and the resolution will be the necessary documentation that Councilman Revard needs to get the sole source. Councilman Redcorn says we added six wells to the list and well plugging committee will prioritize that list. Councilwoman Gray says all we're trying to do is get these to the committee to be addressed so she thinks we're supportive of this and the motion will be that this will be a priority to the Well Plugging committee because number one we want Miss Smith to walk out of here knowing we have addressed her issue in taking care of it and it is a priority one for us.

Motion by Councilwoman Gray to put it into the Well Plugging Committee and address those wells that will be identified for prioritization to be plugged, seconded by Councilman Revard.

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

b. Approve 3rd Consultant for Orphan Well Committee

Councilman Redcorn says they are going to strike this due to many questions and concerns.

Motion by Councilman Redcorn to strike the approval of third consultant for Orphan Well committee, seconded by Councilwoman Harlan.

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)

c. Waive 30 day appeal period on workover for Oliphant Energy

Councilman Revard says Ken Haack with Oliphant Energy whose company is owned and operated by the Oliphant family and Ceja contacted him to let them know that Oliphant Energy had a well on the Osage ranch in the Burbank that had a casing leak. Councilman Revard says when the well was drilled they only ran 175 of surface casing which was determined to be insufficient years later and now they make you run deeper. Councilman Revard says they know they have a casing leak and there is a potential that salt water from the deeper zones in the well could be contaminating the fresh water zone in this well so they considered it an emergency but they went ahead and went through the permitting process with BIA and was able to obtain a permit to plug the well however the Superintendent is requiring the thirty day notice period to allow all interested parties to appeal it, it is a relatively new process, and has been asked to waive the process. Councilman Revard says Deputy Winlock told Mr. Haack that even if he got permission from all parties, that it is still a regulation, and he doesn't see it in the C.F.R., and that we could be contaminating our only aquifer. Councilwoman Harlan says it is our interest, the eyes are trustee, we have a resolution that says that we are demanding/requesting this well be take care of immediately due to environmental concerns it presents and the council waives the comment/object and request the BIA to take this step to show us the regulation that we can't do it. Councilman Yates says that it is policy, and the environment angle with the casing leak impacting the ground water may fast track it.

Motion by Councilwoman Harlan to pass a resolution today requesting the Bureau to take care of this well immediately and in doing so we are waiving any objection we might have and it needs include environmental reasons/impact, seconded by Councilman Revard.

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

d. Performance plugging letter from BIA

Councilman Yates says this was added to the list to the first motion.

Motion by Councilwoman Gray to go into Executive, 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, and Councilwoman Harlan- Yes. (8 yes, 0 no)

5. EXECUTIVE to discuss confidential and/or proprietary matters

- a. Discussion of Fletcher Case with attorneys**
- b. Personnel – Everett Waller**

6. Old Business

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

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

Time: 12:32pm

a. Status of Oil and gas well records

Councilman Revard says that we had a resolution authorized that we needed to send a revision to our records request and adding additional well type records and wanted to know if there has been a response from the BIA. Chairman Waller says not at this time.

Motion by Councilman Revard to table old business 6. a. Status of Oil and gas well records, 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, and Councilman RedEagle- Yes. (8 yes, 0 no)

b. Natural Gas Consultant

Councilwoman Forman says they passed a resolution to hire a gas consultant to help us improve on our gas measure. Councilwoman Forman says the Natural Gas committee diligently worked through the Osage Nation procurement process to solicit our appease, we evaluated, got a bid, and came to the council to recommend that we hire the highest rated company, and at that time it was suggested that we go through the Budget committee which during that meeting Chairman said he wanted to see the contract. Councilwoman Gray says still going through the procurement process through Tammy Leeper and she supplied me with the exact same contract Orphan Well committee used except it was changed to fit the gas consultant and she was hoping to get that approved today, and the cost analysis of the cost for the hiring of the consultant, and she used the age old rule 80/20 which is twenty percent of your activity will account for 80% of your results, and says if they inspect 20% of their meters (about 142 in about 39.4 days) it will represent

80% of the results. Councilwoman Forman says the Budget committee has approved this. Councilwoman Gray says for what we said we were going to do, that they'll have a meeting on Monday and it's on the list to be obligated, that they discussed the contract, discussed the need, and we came out not with a formal recommendation but eight or nine items and it is included in there for the end of the year monies to be obligated. Councilwoman Forman says that it won't be the full amount, just a portion to get it started.

Motion by Councilman Forman to approve the contract with Agape, Inc. Teddy Pledger, seconded by Councilwoman Redcorn.

Councilwoman Gray says it needs to include that he will do a final presentation. Councilwoman Forman says we can do that. Chairman Waller asks if anyone there is representing Agape. Councilwoman Forman says no. Councilman Redcorn asks if he will present at the Oil and Gas Summit. Councilwoman Forman says she wants get him started now so that he can present, and that he has already agreed to be at the summit. Councilman Redcorn says Agape's final report including conclusions and recommendations must be approved by the Minerals Council before presentation.

MOTION PASSED: Chairman Waller- Yes, Councilman Yates- Yes, Councilwoman Forman- Yes, Councilwoman Gray- Yes, Councilwoman Harlan- Yes, Councilman Redcorn- Yes, Councilman RedEagle- Yes, and Councilman Revard- Yes.

(8 yes, 0 no)

7. Meeting minutes

Motion by Councilwoman Gray to approve the August 21 minutes, seconded by Councilwoman Harlan.

MOTION PASSED: Councilman Yates- Yes, Councilwoman Forman- Yes, Councilwoman Gray- Yes, Councilwoman Harlan- Yes, Councilman Redcorn- Yes, Councilman RedEagle- Yes, Councilman Revard- Yes, and Chairman Waller- Yes.

(8 yes, 0 no)

8. Adjournment


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

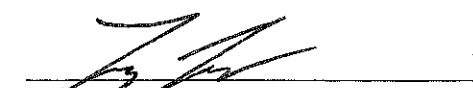
MOTION PASSED: Councilwoman Forman- Yes, Councilwoman Gray- Yes, Councilwoman Harlan- Yes, Councilman Redcorn- Yes, Councilman RedEagle- Yes, Councilman Revard- Yes, Chairman Waller- Yes, and Councilman Yates- Yes.

(8 yes, 0 no)

Time: 12:51 PM

Approved by the 4th Osage Minerals Council on the 18th day of September, 2019.


Chairman


Administrative Assistant