

**OSAGE MINERALS COUNCIL
REGULAR MEETING MINUTES
November 1, 2019**

1. Call to order

Chairman Waller calls the meeting to order at 10:08am.

2. Opening prayer

Councilman RedEagle gave the opening prayer.

3. Roll call

Lacey called roll. Council members present were: Susan Forman, Margo Gray, Marsha Harlan, Talee Redcorn, Myron RedEagle, Paul Revard, Everett Waller, and Andrew Yates. Guest present were: Bobby Tallchief, Teddy Pledger, Wilson Pipestem, Ronni Malson, Louis Gray, Nona Roach, Marcy Grahm, Teresa Bates Rutherford, Bev Brownfield, and Rhonda Wallace.

Chairman Waller says he has our Emergency Management team Mr. Tallchief and says we were asked about our office that is firearm free and asks if Mr. Tallchief would like to add to that. Bobby Tallchief Director of Emergency Management says everyone knows that today the permit less carry for firearms goes into effect and this building doesn't have any signage addressing that so it may be advisable to get some signage out front. Mr. Tallchief says this is a tribally owned Osage building yesterday it was brought to our attention that there was no signage over here so it has gone over to Tribal Works about getting some but we don't know the answer for that yet.

Chairman Waller says we'd like to establish with this council that building will be set aside with signage that we aren't going to allow open to carry in here, we will be zero tolerance, and the Osage Nation police will be called immediately. Chairman Waller says their number is (918) 287-5510 Emergency 911.

4. New Business

a. Gas Consultant Inspection Report

Councilwoman Forman says on Monday morning an hour after meter inspections were supposed to start we received a notice that BIA were going to do meter inspections so unfortunately it was too late to send Teddy Pledger out on Monday but they notified us that there would be two days of meter inspections. Councilwoman Forman says that Teddy came up early Tuesday morning and you have the report in front of you of his three meter inspections, and says he is going to give a short presentation and tell us about his findings on his meter inspections. Teddy Pledger says he wants to thank you for giving him the opportunity to being a blessing to the Osage tribe, and says he is convinced that we are not doing as well as we could. Teddy Pledger explains parts of the meter along with his background with his studies with meter runs and says anything that happens with the meter run is always in favor of the buyer against the seller. Mr. Pledger says as long as the buyer can get by doing nothing to this meter run the more free gas he gets, and says the more it hurts you. Mr. Pledger talks about turbulence and says A.G.A. report #3 (American Gas

Association) is considered the bible with gas measurement. Mr. Pledger says A.G.A. is standard for the industry. Councilwoman Gray asks if the meters are different ages across the board. Mr. Pledger says yes and especially here in Osage County. Councilwoman Gray says hopefully as time goes on they'll become standardized because we aren't getting what we should be getting. Mr. Pledger says right, and that everyone pays extreme diligence to the recorder, chart, or computer. Mr. Pledger says in his 59 years of experience he has never found the problem to be with the recorders but instead with the piping and that is what almost everyone overlooks. Councilman Revard asks is there is requirement that we can make the purchasers go to the industry standard and asks if there is a statute, regulation or something in our contract that require these purchasers to configure their meter run to the most preferred and accurate measurement, and asks if the industry standard calls for straightening veins. Mr. Pledger says they are permitted by AGA3 and says if anything happens to them then the Osage will lose gas. Mr. Pledger says from four different studies he found that nothing good happens to meter runs, everything that can happen to it hurts you, and virtually no one does internal inspections. Mr. Pledger says the good thing is that the three meters that were looked at on Tuesday can be internally inspected, and says he recommends they do not permit straightening veins anywhere. Councilwoman Forman says she would like to point out that the gas purchase contracts should have industry standard language that covers all of this, and we have to have standard language in our contracts, and says the few contracts she has seen do not and says I even saw a terminated one that didn't have a measurement clause. Councilwoman Forman says so if we can put these in the new set of C.F.R.'s we need to heavily consider these standards in there. Chairman says we did ask for that in our consultation effort, it's one of the request, and that it's the AGA. Councilwoman Forman says that Mr. Pledger wanted to make sure everyone knows that Ira did a good job calibrating the recorder and checking that orifice plate but for whatever reason and I suspect it's never done, they never inspect the internal apparatus, you've heard me tell the Superintendent multiple times, "why don't you have any errors in these meter provings that you're doing," and says well the calibration of the computer makes it perfect but if you don't check the insides that's where you find the errors. Councilman Redcorn says we procured you several years ago, I read your report and it's pretty much the same results you found back in those times. Councilman Redcorn says we got to have someone accountable to do it and that's why I have advocated TERA, and that's why we need to look at compacting then these people that are not doing their job can be held accountable. Councilman Redcorn says if the pipe length is wrong then you don't need to go into the pipe you can say it doesn't meet standard that it needs to come out, and says that someone needs to push it. Mr. Pledger says as he understands it that most gas purchaser agreements replacing the meter runs are at the expense of the gas purchaser not the operator and the royalty owner and says now remember that Ira did exactly what they were supposed to do and says that the internal inspection probably only happens once a year not once a month, and says if they did it once a year he would be satisfied. Councilman Revard says he would like to see that should be a responsibility of the BIA is to build a meter loop with a computerized meter for accuracy put ahead of the purchasers meter run without them know, and says temporarily that will document the volume and compare to what the

producer says we sold. Councilwoman Harlan says Mr. Pledger has told us that there are problems so let's pass a regulation that says we expect all gas meters to be brought to industry standards. Councilwoman Gray says even though this is regulatory if they failed to enact is there some enforceable action we can add into this regulation.

Councilwoman Harlan says we have regulatory authority and from what I have seen has just not been employed, maybe the council was not aware they had this authority I don't know, and says I understand there's been a problem for a long time.

Councilwoman Harlan says we have to go one step farther than just saying we have a problem, the fix is to pass some regulatory provisions with the appropriate sanctions, and to be specific on the minimum amount we would accept. 2nd Chair Yates says when we were working on the new C.F.R's we addressed these issues with industry standards, increased inspections, we found interest lacking because we're not involved, and says it's between the producers and producer. 2nd Chair Yates says gas is stranded it's where they have limited buyers, gas is a byproduct where oil is king, and says now I pushed for restrictions because I thought gas was going to become important, and it's a byproduct they're looking at the oil. Councilman Revard says it's not just inconvenience, the gas has been neglected, and we're losing a lot of money.

Councilwoman Harlan says that she respectfully disagrees with 2nd Chair, C.F.R's would not have taken care of this. Councilwoman Harlan says it is not the BIA's estate; it is ours. Councilwoman Harlan says we can't wait for the C.F.R.s to take care of something because that would be that much more of a delay, let's start going over the assets that we have, I don't believe oil is the only king, I take issue that we're waiting on the BIA every month about what the BIA didn't do, we quit giving them the power that you already hold, and says read the Constitution. Councilwoman Harlan says at the end of the day it is our oil, our products, and we need to take care of it, and we should get on it.

Motion by Councilwoman Forman makes a motion to pass a resolution to have the Natural Gas Committee work closely with our council and counsel and gas consultant to work out regulatory to create regulations in the Osage estate, seconded by Councilwoman Gray.

Councilman Redcorn says squarely toward our jurisdiction we exercise it and direct our council to go in go in that direction rather than trying to find which is the best path we just set it, and says we're going for it under the Nation's authority.

Councilwoman Forman and Councilwoman Gray both agree to adopt Councilman Redcorn's statement. Mr. Pipestem says in creating regulation the relationship with the U.S. still matters, and says I would recommend to add this to the discussion list with the BIA to at least let them know this is coming, and says I think when this body creates regulations that is real law that they have to follow as well.

MOTION PASSED: Councilwoman Forman-Yes, Councilwoman Gray-Yes, Councilwoman Harlan-Yes, Councilman Redcorn-Yes, Councilman RedEagle-Yes, Councilman Revard- Yes, Chairman Waller- Yes, 2nd Chair Yates-Yes. (8 yes, 0 no)

BREAK

b. Orphan Well Committee Field Inspector

Councilman Redcorn says the Orphan Well Committee has decided to procure a field inspector to help with field inspections, we turned these over to Candy Thomas, and procurement help, Tammy Leeper. Councilman Redcorn says it's run through the process and we had one responder in the orphan well field inspector, and says Tammy Leeper recommends that we hire David Byrd.

Motion by Councilman Redcorn to hire David Byrd as the field inspector, seconded by Councilwoman Harlan.

MOTION PASSED: Councilwoman Gray-Yes, Councilwoman Harlan-Yes, Councilman Redcorn-Yes, Councilman RedEagle-Yes, Councilman Revard-Yes, Chairman Waller- Yes, 2nd Chair Yates-Yes, Councilwoman Forman-Yes. (8 yes, 0 no)

Councilman Redcorn says that Tammy Leeper might re-advertise to an individual that applied for the consultant who the council voted not hire, and says is it possible to get this individual interested again to help with functions of the Orphan Well Committee, and says they thought maybe he can fill the shoes of the other individual. 2nd Chair Yates says on this Orphan Well Committee how quickly are you guys going to get started. Councilman Redcorn says we've probably done 2/3 of the assessments on the 1600 wells on the economic basis, and says we got about 1/10th of the fill wells that someone actually laid eye and we're trying to get that number up, and identified well locations we're going to test. Councilman Redcorn says then we will clean with some field tests then as many inspections we can knock out before the end of the grant. Chairman Waller says as we reviewed in the letter you sent us recommendations for the committee of those locations. Councilman Redcorn says as Mr. RedEagle said we're going to extend till March 3rd which we thought we could knock everything out by December, and says we asked for 30 days. 2nd Chair Yates says when are going to start on the place where you're plugging wells. Councilman Redcorn says well we gave a list to Mr. Pipestem to start plugging abandoned wells, we're waiting on his feedback to say we can hand that over to the Bureau. Councilman Revard says the plugging grant requires a list of wells to be plugged, we're waiting for that from the BIA, I'm working with Candy Thomas on an RFP for a petroleum engineer to oversee when we start to plug wells. Chairman says are they also going to sign off on the 139. Councilman Revard says yes, this RFP I'm requesting and I'm working with Candy Thomas preparing a scope of business. 2nd Chair Yates says is there a timeline on the actual grant for plugging. Councilman Revard says no there's no time period at all on it, and according to what he witnessed Councilwoman Forman go through and Councilman Redcorn as far as I know it could take a year and says he thinks we ought to hire an engineer to do our business and we have to go through the nation, and says it's out of our control.

Motion by Councilman Harlan to expedite the process of advertising and selecting based upon our concern of the environment and the public safety, seconded by Councilwoman Harlan.

MOTION PASSED: Councilwoman Harlan-Yes, Councilman Redcorn-Yes, Councilman RedEagle-Yes, Councilman Revard- Yes, Chairman Waller-Yes, 2nd Chair Yates-Yes, Councilwoman Forman-Yes, Councilwoman Gray-Yes. (8 yes, 0 no)

Councilman Revard says the well that was on the emergency list we were going to plug still remains an abandoned orphan well just not an emergency plugging because it is not a threat to the environment. 2nd Chair Yates says purging.

Motion by Councilwoman Gray to investigate into taking steps to start our own procurement for the Osage Minerals Council, seconded by Councilman Revard.

MOTION PASSED: Councilman Redcorn-Yes, Councilman RedEagle-Yes, Councilman Revard- Yes, Chairman Waller- Yes, 2nd Chair Yates-Yes, Councilwoman Forman-Yes, Councilwoman Gray-Yes, Councilwoman Harlan-Yes. (8 yes, 0 no)

Motion by Councilman Harlan to expedite the process of advertising and selecting based upon our concern of the environment and the public safety, seconded by Councilwoman Harlan.

MOTION PASSED: Councilwoman Harlan-Yes, Councilman Redcorn-Yes, Councilman RedEagle-Yes, Councilman Revard- Yes, Chairman Waller-Yes, 2nd Chair Yates-Yes, Councilwoman Forman-Yes, Councilwoman Gray-Yes. (8 yes, 0 no)

MOTION PASSED: (8 yes, 0 no)

Councilman Revard says the well that was on the emergency list we were going to plug still remains an abandoned orphan well just not an emergency plugging because it is not a threat to the environment. 2nd Chair Yates says purging.

Motion by Councilwoman Gray to investigate into taking steps to start our own procurement for the Osage Minerals Council, seconded by Councilman Revard.

MOTION PASSED: Councilman RedEagle-Yes, Councilman Revard- Yes, Chairman Waller- Yes, 2nd Chair Yates-Yes, Councilwoman Forman-Yes, Councilwoman Gray-Yes, Councilwoman Harlan-Yes, Councilman Redcorn-Yes. (8 yes, 0 no)

MOTION PASSED: (8 yes, 0 no)

Councilwoman Harlan says this is a process that took gaming several months to do and that I'm not sure how I feel about that, I don't know if folks sitting over here are procurement specialist, and says that she would like to see these needs get taken care of by the nation, and asks to see that the gentlemen get their needs

through the procurement office with how it's set up now. Councilwoman Gray amends her motion that the OMC begin the process of our own procurement. Councilwoman Gray says we're losing gas and barrels of oil and this is just future grants are being impacted because we haven't been doing drawl down, and says this is just another bottleneck in the process.

c. Orphan Well Committee Well Tester

Councilman Redcorn says same story second verse, and says we procured, we requested through the Orphan Well Committee to get a Well Tester to field test well we think have market value. Councilman Redcorn says we went through Candy Thomas and then through the process, we have a well tester and same story with this one, Tammy says one entry that it's a highly specialized field, and says she's okay we go ahead and hire the well tester.

Motion by Councilman Redcorn to hire White Place as the company to conduct well tests on our select orphan wells, seconded by Councilwoman Harlan.

MOTION PASSED: Councilman RedEagle-Yes, Councilman Revard-Abstain, Chairman Waller- Yes, 2nd Chair Yates-Yes, Councilwoman Forman-Yes, Councilwoman Gray-Yes, Councilwoman Harlan-Yes, Councilman Redcorn-Yes. (8 yes, 0 no, 1 abstain)

d. NCAI Report

Councilwoman Gray says they began the committee work on two resolutions that this body had submitted to the National Congress of American Indian for consideration. Councilwoman Gray says they and the resolutions were put in the Land and Resources committee. Councilwoman Gray says Congresswomen Alice Goodfox, Angela Pratt, and Paula Stabler were there and asked what they could do to help with lengthy debates why we should move forward with TERA and ABB on those conservation areas. Councilwoman Gray says they were exerting the sovereignty of our right to our land, and were successful in getting the resolutions through every step, and says she really appreciates the help of the Congresswoman, and says we were able to put our input that in the policy book on energy and land resources. Legal Counsel Wilson Pipestem briefs over the issues, resolutions, our stance, and the process of arriving at consensus of the resolutions at NCAI. Wilson Pipestem says it's an advocacy tool for us that's been nationalized for our argument. Councilwoman Gray says we were able to make discussions of what energy is in policies. Wilson Pipestem says NCAI calls on United States and Canada to put tribal leaders at tables for discussions about what happens with these agreements being negotiated, and allowed us to frame our issues in the context of sovereignty, endangered species act, accommodation of the government shutting us down, and impacts on human beings our own Osage headright owners.

e. Enhanced Oil Recovery Discussion of technology in Norman, OK

Councilman Redcorn says that Bill Lynn and I are paid for by the grant and it was approved by Candy Thomas.

Motion by Councilman Redcorn to strike 4e, seconded by Councilwoman Harlan.

MOTION PASSED: Councilman Revard- Abstain, Chairman Waller- Yes, 2nd Chair Yates-Yes, Councilwoman Forman-Yes, Councilwoman Gray-Yes, Councilwoman Harlan-Yes, Councilman Redcorn-Yes, Councilman RedEagle-Yes. (8 yes, 0 no, 1 abstain)

Motion by Councilwoman Gray to enter Executive, seconded by Councilman RedEagle.

MOTION PASSED: Chairman Waller- Yes, 2nd Chair Yates-Yes, Councilwoman Forman-Yes, Councilwoman Gray-Yes, Councilwoman Harlan-Yes, Councilman Redcorn-Yes, Councilman RedEagle-Yes, Councilman Revard-Yes. (8 yes, 0 no)

Councilwoman Harlan says the Annuitants For Change had a wonderful meeting and all agreed that Article 15 in the Constitution is the primary target for taking to Congress to get this on for a Constitutional revision, and says we hammered out some of the issues and hope to bring something to the Council to show support on the 8th.

TIME 12:29

5. **EXECUTIVE** to discuss confidential and/or proprietary matters
 - a. Oil and Gas Summit Event Planner Contract
 - b. Review Consultation meeting agenda

6. **Old Business**

TIME 2:27

Motion by Councilman RedEagle to exit Executive, seconded by 2nd Chair Yates.

MOTION PASSED: 2nd Chair 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)

Motion by Councilwoman Harlan for council to name Pipestem firm we contract with him and name his firm the lead counsel in our Enel matter to serve alongside Fredericks, Peebles, & Pattersons but his firm is our lead from this point forward, seconded by Councilwoman Gray.

MOTION PASSED: Councilwoman Forman-Yes, Councilwoman Gray-Yes, Councilwoman Harlan-Yes, Councilman Redcorn-Yes, Councilman RedEagle-Yes, Councilman Revard-Yes, Chairman Waller- Yes, 2nd Chair Yates-Yes. (8 yes, 0 no)

Motion by Councilwoman Harlan to consider this resolution for the Chairman to direct Fredericks, Peebles, and Pattersons to share all the historical documents/all records of this case with Pipestem lawfirm, seconded by Councilwoman Gray.

MOTION PASSED: Councilwoman Forman-Yes, Councilwoman Gray-Yes, Councilwoman Harlan-Yes, Councilman Redcorn-Yes, Councilman RedEagle-Yes, Councilman Revard-Yes, Chairman Waller- Yes, 2nd Chair Yates-Yes. (8 yes, 0 no)

Motion by Councilwoman Forman to approve Christy RedEagle our Oil & Gas Summit Planner's Summit contract and to approve Chairman to sign that contract, seconded by Councilman Redcorn.

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

a. Purchase of New laptops

Councilwoman Gray says we need new laptops.

Motion by Councilwoman Harlan to table and send back to Budget Committee, seconded by Councilman Redcorn.

MOTION PASSED: Councilman Redcorn-Yes, Councilman RedEagle-Yes, Councilman Revard-Yes, Chairman Waller- Yes, 2nd Chair Yates-Yes, Councilwoman Forman-Yes, Councilwoman Gray-Yes. (8 yes, 0 no)

7. Meeting Minutes

Motion by Councilwoman Harlan to approve 10.16.19 minutes, seconded by Councilman Redcorn.

MOTION PASSED: Councilman RedEagle-Yes, Councilman Revard-Yes, Chairman Waller- Yes, 2nd Chair Yates-Yes, Councilwoman Forman-No, Councilwoman Gray-Yes. (7 yes, 1 no)


8. Adjournment

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

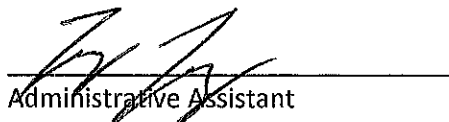
MOTION PASSED: Councilman RedEagle-Yes, Councilman Revard-Yes, Chairman Waller- Yes, 2nd Chair Yates-Yes, Councilwoman Forman-No, Councilwoman Gray-Yes. (7 yes, 0 no)

TIME

Approved by the Council on the 20th day of November, 2019.



Chairman



Administrative Assistant