

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

1. Call to order

Chairman Waller calls the meeting to order at 10:07am.

2. Opening prayer

Councilman RedEagle gave the opening prayer and reading of deceased Osages.

3. Roll call

Lacee 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: Ray McClain, Marlene McClain, Steve Tyler Jr., Sherry Gardner, Ralph Gardner, Lenzy Krehbiel, Robert Knappe, Alex Ponca Stoch, Mr. Wickstrom, Mark Short, Janel Perry, Tom Gray, Andy Matson, Nona Roach.

4. Superintendent's Report

Deputy Superintendent Winlock says on the Superintendent's report in the Branch of Field of Operations there were 19 trucking permits were prepared, 46 gas meter reports scanned into Osage Nation Report, 12 Well plugging's witnessed, 23 leases checked for production/primary term, 96 lease inspections, 20 lease inspections/follow-up, 6 Gas Meter provings, 10 tank trucks checked for permits, 22 tank strappings witnessed, 83 landowner/lessee meetings, 7 complaints responded to, 8 spills/leaks inspected, 13 spill/leaks inspected/follow-ups, 89 tanks gauged, 2 run tickets figured, and 4 gauger's cal vs. purchaser's cal. The Branch of Lease Management there were 31 pending leases awaiting for approval, assignments there were 23 approved 11450, division orders there were 20 approved, and leases terminated were 31. Deputy Superintendent Winlock says oil and gas rentals collected were \$6,240 dollars, oil and gas bonus collected were zero, water usage royalty paid was \$666.60, wells producing October 2019 of 14,848 less 3,232 for SWD wells. Deputy Superintendent Winlock says other minerals sales under part 214 production sale reported per lease APAC was 32,959.13 tons for royalty paid of \$41,667.13, Burbank Maters production was 12,654.71 tons for royalty paid of \$13,413.99, Candy Creek Crusher production was 9,884.97 tons for royalty paid of \$8,550.50, Schmidt Brothers 416 cubic yards for royalty paid of \$312.00, and Rocky Banks production of 42 cubic yards for royalty paid of \$35.00. Deputy Superintendent Winlock says the Branch of Subsurface Minerals approved drilling permits were zero, *Recording skips the following: According to the Superintendent report is listed that approved workover permits were 11, approved plugging permits were 2 + 3 Emergency Pluggings =5, completed new wells this month were Performance Group, LLC Infield Brown 17-4 completed 10/29/2019 with a reported production of 16 BOPD, Spyglass Energy Group, LLC West Blackland 3-35 completed 10/24/2019 with a reported production of 17 BOPD, Spyglass Energy Group, LLC West Blackland 4-34 completed 10/24/2019 with a reported production of 15 BOPD, Spyglass Energy Group, LLC South Red Eagle 1-34 completed 10/24/2019 with a reported production of 13 BOPD, and Warrior Exploration & Production LLC Whitehorn 7-35 completed 10/24/2019 with a

reported production of 25 BOPD. Deputy Superintendent Winlock says Branch of Enforcement and Lease Compliance says the number of EA's received for 214 leases were zero, number of EA's received for APD's were 2 EA for 5 Permits, NOA's published for EA's were 9, Number of non-compliance letters were 30, Number of non-production letters were 32, number of fine letters were zero, number of penalty letters were zero, Number of extensions letters were two, Number of further remediation letters were zero, Number of final notice letters were zero, Number of spill closure letters were zero, Number of Spill Remediation and Reporting Notice letters were 12, and Number of exemption approval letters were 2.* *Recording resumes* Councilman Revard says he told him we had this issue and said that maybe we could get one of the purchasers like Coffeyville to do a one-time division order showing that Osage Nation is a 100% the owner of the oil. Councilman Revard says the Superintendent's office according to the Deputy here says they would approve such a division order. Councilman Revard says it might be helpful for the purchaser to have a resolution. Deputy Superintendent Winlock says Mr. Revard asked about setting the tank battery and that's an excellent idea to do if you've got the property somewhere a site for a couple of things and as you're plugging these wells accumulating fluids you could put them in those tanks. Deputy Superintendent Winlock says before you get a permanent division order from whichever purchaser that way they could pick it up. Councilman Revard says to maybe do a particular division order for particular tank batteries for all of the wells we end up working on. **Councilwoman Harlan says that she would make the motion to send this back to their committee to develop a plan of how we want to proceed with all wells that are like this and bring it back to the council, seconded by Councilwoman Gray.** Councilman Revard says currently we have 500 barrel tank we are leasing we have oil in it at some point we'll have to drain it. Councilman Revard says we need to have it picked up and taken somewhere. Councilman Redcorn says we have Tim Dowd on a resolution already passed and that we can grab most of the value out of these and the rest of it goes to the shareholders. Councilman Redcorn says if it's okay with the council we will have a conversation with Mr. Dowd and come back with the plan. Councilman Revard says it's capable of production and that our geologist thinks it will primarily be a gas well. Councilman Revard says once we get this surface casing in put a well head on it and close it in it is no longer an emergency but it's not a well we might be plugging. Councilman Revard says we're going to move from plugging a well to potentially completing a well or testing it for completion, and says that our funds are not for that purpose. Councilman Revard says we need to speak with Tammy Leeper before we spend another dime on securing a well. Councilman Redcorn says these are steps we do in the Orphan Well and that's why we procured Tim Dowd. Councilman Redcorn says they can reach out to the Well Plugging Committee with all the information found and cost if we can develop on our side and present to the council. Councilwoman Gray says now is a good time to activate our Business Development Committee to where we're able to work and accord with these committees. **Councilwoman Harlan amends motion to table this matter and that the Orphan Well Committee work with the individuals necessary to create a comprehensive plan. Councilwoman Gray amends her second.** **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)**

5. New Business

a. Wellco

Mr. Stan Delong was absent.

b. Short Oil Company

Mr. Short says he got lease about two years ago that is about to expire. Mr. Short says the first year killed it with a positive ABB and says we did it twice that year. Mr. Short says the next spring we started mowing it, mowed it all summer, BIA said everything was complete

Mr. Short says he is asking that the Council grant him a short term lease to get that drilled maybe this next summer.

Motion by 2nd Chair Yates to grant Short Oil Company a one year lease for 0 bonus 20% oil and gas for SE of section 2 township 25 north range 8 east, seconded by Councilman Redcorn.

Councilman Revard asks that 2nd Chair Yates for amending his motion to allow for extension of the current lease if we were able to accomplish that.

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)

Motion by Councilman Harlan to attempt an extension for that lease as well, seconded by Councilman RedEagle.

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)

Break

c. M&T Oil Company

Mr. Steven Tyler with M & T Oil Company is requesting a new lease for NW/4 section 1, township 24, range 6 east.

Motion by Councilman Redcorn to accept NW/4 1-24 6 East \$3500 oil only bonus three year term 20% royalty

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)

Councilman Revard asks Mr. Tyler for copies of the well log records that are sent to the BIA be provided to the Minerals Council as well. Councilman Revard says this includes permits and well completion reports. Mr. Tyler agrees.

d. Raydon Exploration, Inc.

Mr. Tom Gray says he would like an additional one-year concession extension.

Motion by Councilwoman Harlan to table the next meeting, seconded by Councilman Redcorn.

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, Councilman RedEagle- Yes. (8 yes, 0 no)

e. Resolution for Travel

Motion by Chairman Waller for travel for the Council to and from the Summit, seconded by Councilwoman Gray.

MOTION PASSED: Councilman Revard-Yes, 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)

f. 25 CFR Part 90

Motion by Councilwoman Harlan to make a meeting with Executive Branch on council meeting on December 18th to discuss 25 CFR Part 90, 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)

g. 27N Well Records

Chairman says he will take this into Executive.

h. EIS comment period extension

Councilwoman Forman says the EIS will be published on the 22nd with 45 days to make a comment and that we will need to request an extension. Councilwoman Forman withdraws her motion to request an extension on the comment period and to hire Fred Storer to analyze the EIS and report back to us for comment due to no seconds and therefor takes it to Executive.

i. NAPE

Chairman Waller says the Council needs a resolution to travel to NAPE February 6th.

Motion by Councilwoman Forman to send Councilwoman Gray and Councilman Revard to travel to NAPE, seconded by Councilwoman Harlan.

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 Councilman Revard to approve any councilmember to go to Nape February 6th and 7th, 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, 2nd Chair Yates-Yes. (8 yes, 0 no)

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

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. (7 yes, 0 no)

TIME 12:01PM

6. **EXECUTIVE to discuss confidential and/or proprietary matters**
 - a. **Legal opinion of Ownership of Well Records and Trust Obligation regarding Natural Gas Take-in-Kind**
 - b. **Shambles 68 Emergency Plug**
 - c. **Discussion topics for meeting with Secretary Bernhardt**

7. **Old Business**

TIME 2:29PM

Motion by Councilwoman Harlan to exit Executive, seconded by Councilman Redcorn.

MOTION PASSED: Councilwoman Harlan-Yes, Councilman Redcorn-Yes, Councilman RedEagle-Yes, Councilman Revard- absent, Chairman Waller- Yes, 2nd Chair Yates-Yes, Councilwoman Forman-Yes, Councilwoman Gray-Yes. (7 yes, 0 no, 1 absent)

Motion by Councilwoman Form to sole source the hiring of Hydration Engineering to advise on the Environmental Impact Statement published on the BIA website in November of 2019, seconded by Councilwoman Gray.

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

a. Collection of Production data

Councilwoman Forman says she posted the spreadsheet as seen in graphs at the Summit and that it just needs to be updated once a month. Chairman Waller says the staff is ready to fill that in and as protocol will go through the Chairman.

b. 2019 Consultation Reports and year-end report

Chairman Waller says that he requested for the yearend report and says that our legal counsel and Lacee will get together. Chairman Waller says they talked to

Christina for the official signed version of notes with the completed comments put on record and then it will be delivered it to the council.

c. Space cost at the industrial park for archival of files and a yard

Councilman RedEagle says he talked to Dante Halleck who said a resolution was needed as well as an appraisal on yard.

Motion by Councilman RedEagle to approach the Nation to determine the cost to move and store our well log files at the industrial park, seconded by Councilwoman Harlan.

MOTION PASSED: Councilman RedEagle-Yes, Councilman Revard-Absent, Chairman Waller- Yes, 2nd Chair Yates-Yes, Councilwoman Forman-Yes, Councilwoman Gray-No, Councilwoman Harlan-No, Councilman Redcorn-Yes. (7 yes, 0 no, 1 absent)

Motion by Councilwoman Gray to request that the Office of the Chief authorize Dante Halleck to do Wachtman Schroeder property appraisal, seconded by Councilwoman Harlan.

MOTION PASSED: Chairman Waller- Yes, 2nd Chair Yates-Yes, Councilwoman Forman-Yes, Councilwoman Gray-Yes, Councilwoman Harlan-Yes, Councilman Redcorn-Abstain, Councilman RedEagle-Yes, Councilman Revard-Absent. (6 yes, 0 no, 1 abstain, 1 absent)

8. Meeting Minutes

Motion by Councilwoman Gray to approve 11.01.19 minutes, seconded by Councilman RedEagle.

MOTION PASSED: 2nd Chair Yates-Yes, Councilwoman Forman-No, Councilwoman Gray-Yes, Councilman Redcorn-Yes, Councilman RedEagle-Yes, Councilman Revard-Absent, Chairman Waller- Yes. (6 yes, 1 no, 1 absent)

9. Adjournment

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


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

TIME 2:47PM

Approved by the Council on the 6th day of December, 2019.



Chairman



Administrative Assistant