



## *Osage Minerals Council*

### Regular Meeting

September 21, 2022

Pawhuska, Oklahoma

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1. **Call to Order and Welcome by Chairman Waller** – 10:00 a.m.
2. **Opening Prayer & Reading of the Deceased** – **Second Chairman Cheshewalla**
3. **Roll Call** – **Chief of Staff Lacey Reynolds**

Councilmember Bighorse – present  
Second chair Cheshewalla – present  
Councilmember Currey - present  
Councilmember Red Eagle – present  
Councilmember Redcorn – present  
Councilmember Revard – present  
Councilmember Shackelford – present  
Chairman Waller – present

**Guests:** Superintendent Winlock, Troyce Garringer and Stephanie Davis by Zoom, Bill Lynn, Justin Patterson, Del Olivarez, Bob Knappe, Bill Trumbly and Glenn with Solarin.

#### 4. **Approval of Lease Sale**

- a. **Resolution:** Under authority of C.F.R. 226.2 the Superintendent of the Osage Agency with the approval of the Osage Minerals Council, and after advertising by pamphlet outlining terms of sale and giving legal description lands, on September 21, 2022, offered for sale 26 tracts comprising 4,160 acres, more or less, for oil and gas combination mining purposes, being the 26<sup>th</sup> Oil and Gas Lease Sale; and a total of 160 acres sold for oil and gas combination mining purposes for a total bonus consideration of \$4700, which is an average of \$29.375 per acre; a total of 0 acres sold for oil mining purposes for a total bonus consideration of \$0, which is an average of \$0 per acre; and a total of 0 acres sold for gas mining purposes for a total bonus consideration of \$0, which is an average of 0 per acre; resulting in a total bonus consideration of \$4,700; and the Osage Minerals Council at a meeting following the sale has carefully reviewed the schedule showing the tracts sold and it is the consensus that the leases offered brought a fair value, and the consideration in all instances is adequate. Therefore, be it resolved, That since the bonus offered by the respective purchasers of leases appears to be adequate and represents a fair value of each and every lease, the sale as a whole is accepted; and that the Superintendent is request to notify all successful bidders that their bids have been accepted and direct them to furnish accomplished leases on Departmental forms within 20 days after date of notice of acceptance of bids; and the Chairperson of the Osage Minerals Council is hereby authorized to execute leases to successful bidders.

Motion by **Council Red Eagle**

Councilmember Bighorse – y

Councilmember Currey – y

Councilmember Redcorn – y

Second by **Council Redcorn**

Second Chairman Cheshewalla – y

Councilmember Red Eagle – y

Councilmember Revard – y



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Councilmember Shackelford – y

Chairman Waller – y

Motion **PASSED**

YES: 8

NO: 0

**Discussion:** Council Revard replies that the company that bought it was called CTO.

5. **Superintendent Report:** *Aggregates:* APAC produced 26,330.10 tons and paid \$29,384.39 in royalty; Candy Creek produced 23,464.88 tons and paid \$21,540.75 in royalty; Wilson Ranch produced 63.5 tons and paid \$31.75 in royalty; Burbank Materials produced 12,658.64 tons and paid \$12,911.81 in royalty; Schmidt Brothers produced 304 cubic yards and paid \$228.00 in royalty; Rocky Bank produced 132 cubic yards and paid \$110.00 in royalty; Sherwood Cons. produced 0 cubic yards and paid \$00 in royalty; *Producing Wells:* 14,852 less 3,230 for SWD Wells. *Approved Permits:* 7 workover Permits; 11 Plugging Permits; 3 Emergency Plugging Permits; 0 Emergency Workover Permits; and 2 Drilling Permits. No new drilling completions reported.

**Discussion:** Council Redcorn asks if the aggregates listed are the only entities with a lease currently. He asks if there are more included that have not been produced.

**Superintendent Winlock** says if they have a lease there that they list them.

6. **BTFA Update:** **Troyce Garringer** introduces herself as the new Fiduciary Trust officer, and **Stephanie Davis** as the Trust Accounts Administrator. **Troyce** said they have been working on closing out the fiscal year. They are performing an administrative review for the PL account on the Minerals Estate and are getting ready to close out that process. BTFA remain available to assist beneficiaries. The number for the local office is (918) 287-5791 or the Trust Beneficiary call center to update their accounts. **Council Red Eagle** said last time she was here, he asked her a question. He said the old Tribal Council of the 1990s had 1 and  $\frac{3}{4}$  headrights or 2 that they always used for the Tribal Council. He asks Troyce if she has any evidence of what happened to those headrights when the new government came in. **Troyce** said she was able to contact former FTO, Janel Perry and she provided the number of correspondents with Field Solicitor, Alan Woodcock. **Troyce** said the Superintendent finally provided a letter to the OMC and the Chief that she gave to Lacey Reynolds. **Troyce** said the finding indicate that there are close to two headrights under the name of the Osage tribe of Indians. The Superintendent basically stated that it was a matter for judicial review per changes of the 2006 Constitution. **Council Red Eagle** asks what the plan is now. He asks if they belong to Osage Nation or if they get the headrights back. **Troyce** recommends contacting the Superintendent to discuss the matter and then your attorney general may need to be become involved in making a decision based on your Constitution and how the assets should be distributed. **Council Redcorn** said that the quarterly report that shows revenue generated and distributed to shareholders is also listed as the Osage tribe of Indians of Oklahoma. He asks if that is right. **Troyce** said yes, for those 1 to 2 headrights. **Council Redcorn** said no, that he's talking about the whole trust that goes back to Osage headright holders. He says he sees that report as it's referred to the same as the Osage tribe of Indians of Oklahoma. **Troyce** said they [Stephanie Davis] are having trouble understanding the





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question. **Council Redcorn** asks if she is familiar with the quarterly review. **Troyce** said she is not. **Council Redcorn** said in his view, the quarterly report that shows payment to all Osage shareholders is also listed as tribe of Indians of Oklahoma. He said this questions goes deeper than just 2 headrights. He said we probably needs to have that discussion. **Council Shackelford** asks when that language first drafted. He asks if it was the new constitutional form of government and what year when those headrights were given to the Tribal Council. **Troyce** said she will have to look into that matter and that she does not know that information. **Chairman** said **Council Red Eagle** said that we are still on the C.F.R. and that he believes it still says Osage tribe of Indians. **Council Redcorn** said that is how he interprets it which means our Osage headright shareholders. **Council Red Eagle** said that is a suggestion for you to look into this and as a council, we will look into it ourselves.

#### 7. New Business

- a. **Warrior – Bob Knappe** says he's here representing Warrior Exploration and here to ask for oil and gas leases. He said this was a consolidated lease hold that was previously terminated for lack of production. **Mr. Knappe** said the proximity to our gas system is advantageous and would like to incorporate this into our plans for the next couple years to bring in the investment to the market. **Second Chairman Cheshewalla** asked who the previous lessee's were. **Mr. Knappe** said Hard Rock Operating, Mr. Steve Sewell. **Council Revard** asked if the request is for individual leases per track, unitized or consolidated at one time. **Mr. Knappe** said it wasn't consolidated and that the flow runs are situated in such a way that it would be best to produce all ten quarters, utilize your existing proline infrastructure that's already in place. **Mr. Knappe** said he realized he probably needs to nominate and get leases on individual quarters then when we have all the wells situation to produce on all quarters, then he can request to do consolidation if that would be the process. **Council Revard** will describe consolidation- the terms of the lease are the same, it just allows the lessee in this case Warrior, if they're successful in getting this group of leases to use a common tank battery. This is so all the oil and gas produced go to a common tank battery so they don't have to send a sense of time to each single track. That would be expensive and maybe not practical. However, as far as reporting production, unlike the old days unlike a unit, one well on one track can't hold and tie up all the other tracks. Each track has to have production in tank quantities. It's a minimum of \$320 royalty \$320 per year to the tribes royalty interest that's the minimum. When the lessee reports production they still report on a quarter section basis. If one quarter section failed to produce in paying quantities and they didn't renew the lease, getting a new lease, that lease would be terminated by its own terms. The wells would have to be plugged within the 90-day period. The request to have leases consolidated is merely a practical request to be able to use a common tank battery, common flow lines and gas metering. The producer knows what each produces. **Chairman** would like to go with the separation of quarter section consideration. **Council Revard** said the authority to consolidate a lease falls on the Bureau of



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Indian Affairs. He said they need a resolution from us. If the offer is accepted would we also want to include our authorization to consolidate if they choose to do so. **Chairman** said not at this time.

- i. **Resolution:** Grant ten new oil and gas leases to Warrior Exploration and Production, LLC with a lease bonus of \$5000 per quarter section, 20% royalty and three-year primary term for the following quarter sections:

NW/ 15-23-9, SW 15-23-9, NW 16-23-9, SW 16-23-9, NE 16-23-9,  
SE 16-23-9, SE 17-23-9, NW 21-23-9, NE 21-23-9, NE 20-23-9

Motion by **Council Redcorn**

Councilmember Bighorse – y

Councilmember Currey – y

Councilmember Redcorn – y

Councilmember Shackelford – y

Motion **PASSED** YES: 8 NO: 0

Second by **Second Chair Cheshewalla**

Second Chairman Cheshewalla – y

Councilmember Red Eagle – y

Councilmember Revard – y

Chairman Waller – y

- b. **OGS Workshop:** **Council Redcorn** said the Oklahoma Geological Survey hosts a workshop November 16<sup>th</sup> Wednesday at the Norman Technical Center.

- i. **Resolution:** Send any member of the OMC to the Oklahoma Geological Survey's Oklahoma and the Energy Transition on November 16, 2022 in Oklahoma City with travel cost coming from the C-395 budget.

Motion by **Chairman Waller**

Councilmember Bighorse – y

Councilmember Currey – y

Councilmember Redcorn – y

Councilmember Shackelford – y

Motion **PASSED** YES: 8 NO: 0

Second by **Second Chair Cheshewalla**

Second Chairman Cheshewalla – y

Councilmember Red Eagle – y

Councilmember Revard – y

Chairman Waller – y

**Discussion:** **Council Revard** said the registration fee goes up October 15. It would save cost for any council that wants to join Councilman Redcorn to make it official by this time. **Council Revard** said that we should come back with an understanding that we might come back with a briefing to the full council.

- c. **St. John Skinner Unit Proposal:** **Del Olivarez** said that his group had some disagreements and that he was presenting as separately as himself. **Mr. Olivarez** says his interest here is that he believes some of these technologies could have some interesting results. He said he is proposing that we go out here and bring in some portable units to get some of these wells into production and see what we can do out there. If it all works out, he believes they can increase production and





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come back to negotiate a lease on that. He thinks it might be for the betterment of the mineral estate to see how new modern technologies can impact some of the production on wells. He said my proposal is that you give me the opportunity to work on some of these wells, evaluate, and get some of these into production. This is to show the difference between what anyone can do on a well and what we can do with our technologies. He said this could be a very large increase.

**Chairman** asks if he will be able to get production started so we can get some sales going. **Mr. Olivarez** says that's correct, and that the initial phase it to get them into production. He will identify how much they are producing. They may put the technology on one well to show the difference. **Council Revard** asks if Mr. Olivarez is asking for authorization to go out to the property and start working on some of the wells to see if they can get them to produce without an oil and gas lease. **Mr. Olivarez** said that's correct and can come back with the results and say he's interested in the lease or no. **Council Revard** states to Chairman that he doesn't think the Council has authority to allow anyone including themselves to go out and work on any oil and gas wells without going through the BIA regulations and governance. He thinks that would be a liability on us. **Mr.**

**Olivarez** says yes sir and that he believes a contract would be appropriate where he takes on all liability and responsibility, the Minerals Council isn't liable for anything. **Council Revard** said the BIA governs our operation. He asks why he doesn't just get a lease. **Mr. Olivarez** says there's too many unknowns and it will take a lot more money to put into production. **Council Revard** asks if he will use his own money. **Mr. Olivarez** said there have been funds allocated by congress to do something about these wells. He can prove if they are economically viable and where people would have interest instead of sitting there. Mr. Olivarez continues his presentation to the council. **Council Currey** asks how long he thinks he needs to study these wells. He says three months. She said that she thinks he still has to lease even if we have a short primary term or waive the bonus. She said we still have to have a lease because any oil you produced, we would not be able to sell it, we wouldn't be able to get a division order to pay the shareholders without that contract in place. She said in addition to the lease, we'll still need the contract to refer to as to how this will all work. She said she thinks we could do a lease for a reduced bonus and give whatever primary term needed to see if they're viable or not. **Mr. Olivarez** said something brought up was that for this project in that time frame, anything produced would go to the shareholders, to the Minerals Council. He said we would not take possession of it and some legalities would have to be worked out. He says his interest is to show possibly there are technologies that could help production on Osage and the only way to prove that is to show the results. If proven these could be a great benefit to the Osage Mineral Estate.

**Council Red Eagle** said he contacted Attorney General and asked if the money had to be spent before October 1<sup>st</sup>. **Chairman** looks at resolution 4-484 resolutions done a year ago. **Council Redcorn** said he talked to Mr. Hessert earlier and that he talked with Lacey. He said that Mr. Lynn can move forward with spending this



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money and that we already passed that resolution. He continues to say if we purchase ordered (PO) it, give it to Lacey and her and Bill get that lease up to operate it, put it in a lease sale or whatever. He said it is our call and that he would like Chairman to direct Lacey to establish that PO for the lease to auction or moved.

- d. **Solarin Technology:** Bill Trumbly and Glenn, Program Manager, give their presentation on Solarin Technology. They are a technology consisting of two primary groups, PSIOT and Safetrakk. PSIOT is more manufacturing inside and Safetrakk is supporting construction and relevant outdoor safety environments. IOT brings machine to machine technology with big data and machine learning so with data you can produce algorithms to take the data and present it in real useful way and is an internet of things. It is focused on operational safety quality that monitors with sensors. Mr. Bill Trumbly said the purpose of the proposal is to simply provide data you need to properly manage your wells both in a tactical and strategic map.

**Discussion: Council Revard** asks why he wants to test his equipment on the property, the mineral estate. Mr. Trumbly said it was discussed that the best place to start was the Mineral Council and said if they say they need to go the producers they will go to the producers. **Council Revard** said he just doesn't know what involvement the Minerals Council has, and that they [Council] doesn't operate wells. **Council Revard** said they don't collect this type of information and that the Bureau of Indian Affairs does, maybe. **Mr. Trumbly** said this information is independent from everyone else. They wanted to approach the Council first and see if this is something the council would be interested in supporting, not necessarily doing anything. Once they got support they can go to producers to see if they're willing to do it or is Osage Nation happens to own a few wells. **Council Shackelford** talks about how if the tribe did move into their own production, this would be beneficial and describes how. **Chairman** said he would like to see the Council review some of this and how many of them have been in the gauging and calculating effort. He says we may be looking at a different event where you make this a mobile effort that we can go in anytime and set it up, get a sack on the unit hookup. He says that's what they were looking at years ago but the technology is not there. If they can update the council on that, they would love to hear about it.

## 8. Old Business

- a. **Boardable: Chairman** asks Chief of Staff if a resolution is needed. **Council Redcorn** talks about the emails going back and forth that people kind of like it so I would if that's okay make a motion.





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- i. **Resolution:** Approve purchasing Boardable at the rate of \$3,670.78 for the first year, paid with funds from the C-395 budget.

**Discussion:** Council Revard questions if they would like to recite the terms of the arrangement and if it should be part of the resolution. **Chairman** said that the contract is already covered. **Council Revard** asks if it is a three-year commitment. **Chief of Staff Lacey** says that it is three years. **Chairman** says that it is \$3,070.78 first year funded through the C-395 which had to be involved in the resolution. **Council Shackelford** asks COS Lacey if it is working out well. She says yes. He said as long as it's working for those guys, yes. **2<sup>nd</sup> Chair Cheshewalla** said it makes their jobs easier, yeah.

Motion by **Chairman Waller**

Councilmember Bighorse – y  
Councilmember Currey – y  
Councilmember Redcorn – y  
Councilmember Shackelford – y

Motion **PASSED** YES: 8 NO: 0

Second by **Second Chair Cheshewalla**

Second Chairman Cheshewalla – y  
Councilmember Red Eagle – y  
Councilmember Revard – y  
Chairman Waller – y

9. **Motion:** Approve minutes

Motion by **Chairman Waller**

Councilmember Bighorse – y  
Councilmember Currey – y  
Councilmember Redcorn – y  
Councilmember Shackelford – y

Motion **PASSED** YES: 8 NO: 0

Second by **Second Chair Cheshewalla**

Second Chairman Cheshewalla – y  
Councilmember Red Eagle – y  
Councilmember Revard – y  
Chairman Waller – y

10. **Motion:** Adjourn

Motion by **Chairman Waller**

Councilmember Bighorse – y  
Councilmember Currey – y  
Councilmember Redcorn – y  
Councilmember Shackelford – y

Motion **PASSED** YES: 8 NO: 0

Second by **Second Chair Cheshewalla**

Second Chairman Cheshewalla – y  
Councilmember Red Eagle – y  
Councilmember Revard – y  
Chairman Waller – y

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Approved by the Fifth Osage Mineral Council on October 19, 2022.

Everett Waller, Chairman

Executive Administrative Assistant