

I. Call to order at 10:03 a.m. by Chairman Waller

II. Opening prayer by Second Chairman Red Eagle

III. Roll call

Councilmember Forman—present, via Zoom

Councilmember Gray—present, via Zoom

Councilmember Harlan—present, via Zoom

Councilmember Redcorn—present, via Zoom

Second Chairman Red Eagle—present

Councilmember Revard—present, via Zoom

Chairman Waller—present, via Zoom

Declaration of Quorum

Guests: Michael Hiner, Rod Abbott, Jeff Breedlove, Candy Thomas

Discussion: **Chairman Waller** shared his concern for children, as COVID numbers are rising in young people. Two items were added to the agenda—a scholarship application (Second Chairman Red Eagle), a request by Councilmember Forman for Executive Session with Michael Hiner, and oil and gas well settings from Councilmember Gray. **Council Redcorn** thanked Council Forman for her efforts in passing information onto him about a grant regarding carbon capture storage (CCS) and carbon capture utilization and storage (CCUS). **Council Forman** responded that he had the expertise to determine if OMC should participate. **Council Redcorn** spoke to OSU Geology Department head Dr. Knapp who previously wrote a National Science Foundation grant regarding CCS and CCUS; the grant was not funded. Now, Dr. Knapp would now like to resubmit the grant to DOE. The pre-application is due February 15. Presently, Dr. Knapp does not need anything from OMC; at a later time, she will want involvement from OMC and will schedule a meeting.

IV. New Business

- a. **Resolution:** Apply for a lease for OMC through the BIA to operate St. John Skinner Unit with 1/8 royalty, waving bonuses

Motion by **Councilmember Redcorn**

Motion **PASSED** YES: 6

NO: 0

Councilmember Forman—y

Councilmember Harlan—y

Second Chairman Red Eagle—y

Chairman Waller—y

Second by **Councilmember Gray**

ABSTAIN: 1 ABSENT: 0

Councilmember Gray—y

Councilmember Redcorn—y

Councilmember Revard—abstain

Discussion: **Council Redcorn** explained the well program has been successful, and, at the moment, emergency wells are being plugged. A grant was written to determine whether any opportunities remain; the St. John unit showed a potential development opportunity. He then made his motion. Following the motion, **Council Revard** asked for more information about the nonprofit; he asked if it was an Osage Nation or state nonprofit. Previously, he'd heard a brief presentation/overview from Bill Lynn. If OMC was successful, production could be about four-to-six barrels per day, which could be \$180K. He asked if an attorney's advice was sought about how OMC could operate wells and St. John's possibilities. He inquired whether there was bonding, liability associated with production, more about the property and its plans, how

it would be operated, how much money would be set aside for working capital, etc. He said none of this information has been discussed with OMC, so he is not prepared to vote; he's not sure if BIA will approve. No one in the office can manage oil and gas properties, and there is no operating insurance, etc. **Council Forman** requested answers to Council Revard's questions, adding money generated from leases goes to shareholders. She maintained shareholders would not be paid because of expenses associated with lease maintenance. She asked if OMC could afford to maintain and operate the lease, including bonding, pay for insurance, etc. She said OMC is not in a place to take over a lease, afford to maintain and operate, as well as pay for insurance and bond. **Council Redcorn** said the lease is to operate the St. John at 1/8 royalty and waive bonus—putting money back into running the well. This possibility was located in the orphan well program. Continuing, Council Redcorn explained about the nonprofit board. The board will meet with attorney Tim Dowd to establish guidelines compliant with Osage Nation nonprofit expectations and laws, assuring their nonprofit status is granted. After establishment, the plan is for OMC to transfer the lease to the nonprofit. Five Osage headright shareholders, with oil and gas experience, were named to the nonprofit board—*Wahzhazhe Thon^pa* (WZZ-2). He named three of the five members: Rosemary Wood (who was part of Osage-1), Joe Cheshawalla, and Henry Rennick. Both Council Redcorn and the board are excited to start work and start producing. He thinks the entity will be able to generate revenue from what's left out there; the key point is to produce oil. The first ones who will be paid are the shareholders. He reminded how the BIA sold OMC's prior, preferred lease option, Avant, when he worked with the University of Kansas. However, he is hopeful to get the St. John unit running and find value. **Council Harlan** is supportive of producing at St. John and thinks it's a great idea. She offered her expertise about the legal avenue saying OMC should issue a resolution establishing the nonprofit entity. Then, other ventures including St. John can be sought. Following vote on the St. John, she suggested a resolution to create the nonprofit. **Council Redcorn** agreed and said the ownership would be transferred to WZZ-2. **Council Harlan** added that establishing the nonprofit by resolution with OMC's blessing is better for long-term plans. She said it would give the nonprofit authority to meet with people, such as the AG. **Council Forman** said that OMC meeting was the first time she'd heard about a five-member board. She inquired whether the board was paid or volunteered. **Council Redcorn** answered saying the board had only been asked to serve, and all are volunteers. Later, he hopes they will be able to be paid—in the spirit of nonprofit—for meeting attendance and mileage. His hope is they will, eventually, be an entity of their own under the Osage Nation. **Council Gray** shared that she is excited to see this happening and going for opportunities, whether it's nonprofit or for profit. "I'm sure you've heard me say it before, 'If not now, when?' If we wait, opportunities go by." She commended Council Redcorn for his hard work and supports him. It's exciting to see business platforms and opportunities. She said get this first one done, then discuss the next steps after a payout to shareholders has been made. It's time to do things "on our own." Everything is new, and no one has all the answers yet; however, she supports it. When the next opportunity arises, OMC will know what to do. **Second Chairman Red Eagle** said two there were two additional members of the board: Gary Jones from Tucson, AZ, who is an oil expert, and Steve Burns from Devon Energy. He explained Osage-1 did not work because of having too many obstacles. He spoke with several people about why it didn't work, including Chief Tillman, who just passed; the general consensus was the right people were not involved at that time. He believes WZZ-2 will work because the right people are in place now, everything ties together, and it's time. "We don't know until we try." Upon voting, **Council Revard** abstained saying he needed more information to feel comfortable voting for or against the subject and had misinformation. He still wants more information and clarification. After the vote, **Chairman Waller** also added oil went to \$60 per barrel

FEBRUARY 9, 2022

during Osage-1 when he was properties chairman. He supports the effort for OMC to produce and the nonprofit.

- b. Resolution:** Support WaZhaZhi Thom^apa in their pursuit for nonprofit status (or other status) for more opportunities marginal well production for the Osage Reservation

Motion by **Councilmember Redcorn**Second by **Chairman Waller**Motion **PASSED** YES: 6

NO: 0

ABSTAIN: 1

ABSENT: 0

Councilmember Gray—y

Councilmember Harlan—y

Councilmember Redcorn—y

Second Chairman Red Eagle—y

Councilmember Revard—abstain

Chairman Waller—y

Councilmember Forman—y

- c. Resolution:** Send a letter to BIA Superintendent requesting the top 20% of gas producers, locations of meters, and extra information the geologist requests with a date to respond of two weeks from the date of the letter

Motion by **Councilmember Forman**Second by **Councilmember Revard**Motion **PASSED** YES: 7

NO: 0

ABSTAIN: 0

ABSENT: 0

Councilmember Harlan—y

Councilmember Redcorn—y

Second Chairman Red Eagle—y

Councilmember Revard—y

Chairman Waller—y

Councilmember Forman—y

Councilmember Gray—y

Discussion: **Council Forman** said the schedule with production tracking. Last time, she asked the Superintendent for the top 20% of gas producing wells and locations of all gas meters. She said OMC voted and, by resolution, Chairman sent an email containing the information requested; she asked whether the email was sent. **Chairman Waller** said yes it was sent. **Council Forman** said the natural gas consultant needed additional information. She wanted another letter sent to the Superintendent to include the prior information requested about gas meters, along with the request of the gas consultant. **Council Gray** recommended putting a date on the letter and follow with a phone call. When she'd done that in the past, she received the information she requested in two days. **Council Forman** said to add two weeks from the date of the letter and amended the resolution to reflect; **Council Revard** agreed, also, in his second.

- d. Resolution:** Assign the Chief of Staff the task to insure that monthly oil, gas, and water production are tracked for all oil, gas and water produced by lease using NIOGEMS, IHS, quarterly reports and any other reliable source from the BIA data systems or other source. Said tracking will require identification of specific data as required by the Council to include but not be limited to Lease Name, Quarter Section-Township-Range (in separate cells for ease of sorting), Operator, API #, well and meter location, well names on each lease, barrels of oil, mcf, btu, mmbtu, gallons of natural gas liquids and gallons of water produced each month, purchaser each month, Latitude and Longitude of each well. Meter and lease and any other information provided on a lease level in IHS, NIOGEMS, quarterly reports and any other reliable source. Staff will communicate with OMC Data Consultant to provide any and all information that Council and Consultant determine is needed in osageminerals.org

Motion by **Councilmember Forman**Second by **Councilmember Revard**Motion **PASSED** YES: 5

NO: 2

ABSTAIN: 0

ABSENT: 0

Councilmember Redcorn—y

Second Chairman Red Eagle—y

Councilmember Revard—y
Councilmember Forman—y
Councilmember Harlan—n

Chairman Waller—y
Councilmember Gray—n

Discussion: **Council Forman** recalled over the last month, she's tried to obtain information from several sources such as NIOGEMS, quarterly reports and various other sources to get one document that identifies all gas wells, with locations, meters, and quarter sections. Information comes from several sources such as NIOGEMS, IHS, and thousand-pages of PDF quarterly reports. She isn't sure how long the new staff member has been hired—guessing a year ago, “if you all will recall...we...agreed to hire a new staff member for the specific purpose, among a few other things, of tracking production. We get the information. Now, we have even more information...I have since learned that through Councilmember Revard... that an easy to get IHS information...all you have to do is cut and paste API numbers and put them in the IHS program, and it will immediately spit out production by quarter section, well by lease, so...we went through a lot of trouble. Thanks to Councilmember Revard because he subscribes to that service...so, I wanted to fulfill our intent in that resolution a year ago.” She then made the inclusive motion. **Council Revard** said a list of things to track on the list is information OMC should have and should be sent in reports from the BIA, with the exception of the saltwater reports. EPA is the only agency who does saltwater reporting from disposal to injection wells each month; they also do an annual operations report. Each year, producers are given from January 1-31 to submit their saltwater information to EPA. **Council Forman** responded she included other reliable sources adding the Chief of Staff is familiar with all of the reports and could seek help from BIA to get the information. She expects the staff and geologist to organize, combine, and create a database to store the information, which was the intent a year ago. It's critical to have the information, so OMC can know where their production is. OMC should know how much water is produced; it's important to the geoscience of the Mineral Estate. **Council Gray** agreed with Councilmember Revard saying the information should already be in OMC's possession. She think the deficiencies should be pointed out in the biannual meeting. She added staff could be hired to do this, but the trustee should be doing their job. After voting, **Council Harlan** said she voted no because it's extra work on Lacey, instead of where the work should come from—[BIA].

e. Resolution: Write a DEMD grant to determine natural gas reserves in the OMC Estate

Motion by **Councilmember Forman**

Motion **PASSED** YES: 7 NO: 0

Second Chairman Red Eagle—y

Chairman Waller—y

Councilmember Gray—y

Councilmember Redcorn—y

Second by **Councilmember Harlan**

ABSTAIN: 0 ABSENT: 0

Councilmember Revard—y

Councilmember Forman—y

Councilmember Harlan—y

Discussion: **Second Chairman Red Eagle** met with DEMD about the natural gas consultant and when funds would be available. He was informed nothing would be available until April.

f. Resolution: OMC act on Attorney Rollie Wilson's recommendations for [well plugging] funding

Motion by **Councilmember Redcorn**

Motion **PASSED** YES: 7 NO: 0

Councilmember Revard—y

Councilmember Forman—y

Councilmember Harlan—y

Second Chairman Red Eagle—y

Second by **Councilmember Red Eagle**

ABSTAIN: 0 ABSENT: 0

Chairman Waller—y

Councilmember Gray—y

Councilmember Redcorn—y

Discussion: Council Redcorn spoke about a letter OMC received from Rollie Wilson, attorney, regarding upcoming funds for well plugging in 2023. Mr. Wilson recommended OMC contact Congress for more funding to plug wells and request money for unmet needs on tribal lands. **Chairman Waller** said he'd follow up with Mr. Wilson.

V. Enter: Executive Session**Time: 11:07 a.m.**Motion by **Councilmember Redcorn**Second by **Councilmember Forman**Motion **PASSED** YES: 7

NO: 0

ABSTAIN: 0

ABSENT: 0

Chairman Waller—y

Councilmember Forman—y

Councilmember Gray—y

Councilmember Harlan—y

Councilmember Redcorn—y

Second Chairman Red Eagle—y

Councilmember Revard—y

Discussion: Council Revard requested to have a break from the meeting to listen to the hearing about the Wind Farm Court Case. Council Harlan requested a link, so all of OMC could listen to the court proceedings. Chairman Waller directed Lacey Reynolds to share the link with all of OMC and announced the meeting would reconvene following the hearing. During the break, he checked every 15 minutes to see when council returned, so Executive Session could start.

VI. Exit: Executive Session**Time: 1:30 p.m.**Motion by **Councilmember Forman**Second by **Second Chairman Red Eagle**Motion **PASSED** YES: 7

NO: 0

ABSTAIN: 0

ABSENT: 0

Councilmember Forman—y

Councilmember Gray—y

Councilmember Harlan—y

Councilmember Redcorn—y

Second Chairman Red Eagle—y

Councilmember Revard—y

Chairman Waller—y

VII. Resolutions from Executive Session

- a. Resolution:** Approve a combination oil/gas lease for Iron Hawk Energy in SW Sec 8-27-7 for a three-year term, \$4,700 bonus, 3/16 royalty in the first year, converting to a 20% royalty after payout, and lessee will send OMC all records generated

Motion by **Councilmember Forman**Second by **Councilmember Revard**Motion **FAILED** YES: 3

NO: 3

ABSTAIN: 1

ABSENT: 0

Councilmember Gray—abstain

Councilmember Harlan—n

Councilmember Redcorn—n

Second Chairman Red Eagle—y

Councilmember Revard—y

Chairman Waller—n

Councilmember Forman—y

Discussion: Council Harlan said she voted no because the lease negotiation was appears to have been discussed behind closed doors, showing lack of integrity by the council. Council Forman said for the record, the lease was not negotiated behind closed doors. It was discussed when a confidential matter came up and is no different than any other lease OMC has agreed to in the past.

- b. Resolution:** Apply for a grant to do a regional 3-D survey of seismic activity

Motion by **Councilmember Gray**Second by **Councilmember Forman**Motion **PASSED** YES: 7

NO: 0

ABSTAIN: 0

ABSENT: 0

Councilmember Harlan—y

Councilmember Redcorn—y

Second Chairman Red Eagle—y

Chairman Waller—y

Councilmember Gray—y

Councilmember Revard—y

Councilmember Forman—y

Discussion: Council Gray believes it would be beneficial to work with Mr. Hiner to study seismic on the Osage Reservation. After voting, Council Redcorn stated the work was highly needed at OMC. He also thanked Council Gray for making it happen and thanked Mr. Hiner for bringing the opportunity to OMC. It's good to continually be deriving the additional information for the Minerals Estate.

VIII. Old Business

- a. Resolution:** Osage Nation GIS consultant and Manny Atencio, OMC's natural gas consultant meet to discuss NIOGEMS and how to improve it

Motion by Councilmember Redcorn

Motion PASSED YES: 7

NO: 0

Second by Chairman Waller

ABSTAIN: 0 ABSENT: 0

Councilmember Redcorn—y

Councilmember Revard—y

Councilmember Forman—y

Councilmember Harlan—y

Second Chairman Red Eagle—y

Chairman Waller—y

Councilmember Gray—y

Discussion: Council Redcorn said the natural gas consultant questioned the data reliability—ON GIS group—ask them to help GIS ON consulting group, Manny Atencio, NIOGEMS based on GIS platform and correlates together. OMC should meet with ON GIS consultant and Mr. Atencio to discuss NIOGEMS and how to improve. Council Forman wanted to add the consultant who's doing the OMC website, adding he might have useful input on the project. Chairman Waller said the collaboration would be a good effort to see the best application. Council Revard inquired about the name of the ON GIS consultant. Council Redcorn responded Russ Bellamy is ON's consultant. Council Revard asked if OMC would be charged by the GIS consultant for this project. Council Redcorn had spoken to the Director of Operations who said OMC will not have to pay for that service because the consultant's job is to help Osage Nation departments who need GIS assistance.

- b. Sherwood Construction 214 Lease Discussion—Mr. Breedlove** from Sherwood Construction discussed improvements being made to Highway 60, which ties in to the Osage Reservation at the east end near Osage Hills State Park and east a few miles. The project does not require any offsite borrowed material. All fills are generated from materials already onsite. Chairman Waller asked if there was a need for right-of-way off of the reservation. Mr. Breedlove said there must have been a miscommunication. The project in discussion on Highway 60 has no erosion issues. Chairman Waller announced Highway 60 was okay for a waiver and was approved by OMC. He thanked Mr. Breedlove for the clarification. Then, he directed Lacey Reynolds, OMC Chief of Staff, to write the Highway 60 waiver and send.

- c. Resolution:** Assign David Bird to oversee pipe movement when the time comes and after OMC decides what to do with it

Motion by Second Chairman Red Eagle

Motion PASSED YES: 6

NO: 0

Second by Councilmember Gray

ABSTAIN: 1 ABSENT: 0

Councilmember Forman—y

Councilmember Harlan—y

Second Chairman Red Eagle—y

Councilmember Gray—y

Councilmember Redcorn—abstain

Councilmember Revard—y

Chairman Waller—y

Discussion: Second Chairman Red Eagle reminded everyone the [Rainbow] pipe yard was purchased by the Nation with well plugging funds. He said Builders Unlimited won the bid from procurement to clean the yard; they are the company building the new building near Wakon Iron. Since a lot of pipe has accumulated at several locations, it's time to decide what to do with the excess pipe; he added, in the past, Candy Thomas has said well plugging funds can't be used for pipe transportation. **Chairman Waller** thinks the salvaged pipe needs to be removed, and there's an overabundance of it. There won't be a profit from salvaged pipe. He'd like OMC to discuss sales with Clair Wood and Ryan Armstrong. **Council Forman** asked what David Bird would be doing and wanted clarification about what the motion is requesting. She asked if the pipe would be transported to OMC's property. **Second Chairman Red Eagle** affirmed there is a lot of pipe. Some is rusted, as it has been sitting for over a year. Some of the pipe will need to be scrapped; some pipe can be sold as scrap. It doesn't bring a lot of money, but not all has to be thrown away. **Council Forman** wanted the motion amended, adding any sale of pipe to be sold [or scrapped] using ON procedures. **Council Revard** wants someone to look at the pipe, an interested scrapper. Not all of the pipe will be salvageable; some may have radiation issues. It might cost more to transport the pipe, and a scrapper may not want it. He thought Mr. Bird could be paid from the proceeds of the pipe sales. He added Candy Thomas also said transport of pipe racks could not be paid using with well plugging funds. He's in favor of hiring someone to assist OMC in the endeavor. **Council Gray** said she supports David Bird overseeing the project. She asked what Builders Unlimited would be doing. **Second Chair Red Eagle** said the procurement process was followed, and Builders Unlimited won the bid to clean the yard. It was inspected by Silas Satepauhoodle. He said buildings, structures, brush and a fence line were going to be cleaned. **Council Gray** asked which budget would be used to pay David Bird and for the yard cleanup. **Chairman Waller** said the cleanup would come from the C-395 budget.

d. Resolution: Award the Wah-Tiah-Kah Scholarship to [Osage member] Saxon Metzger

Motion by **Second Chairman Red Eagle**

Second by **Chairman Waller**

Motion **PASSED** YES: 7

NO: 0

ABSTAIN: 0

ABSENT: 0

Councilmember Revard—y

Chairman Waller—y

Councilmember Forman—y

Councilmember Gray—y

Councilmember Harlan—y

Councilmember Redcorn—y

Second Chairman Red Eagle—y

Discussion: Second Chairman Red Eagle said four scholarships are usually awarded. Three were given earlier for the spring semester. A fourth student applied, Saxon Metzger. He is working on his Master's Degree in Environmental Policy. His undergraduate degree is in Economics.

IX.

Motion: Approve minutes

Motion by **Councilmember Redcorn**

Second by **Second Chairman Red Eagle**

Motion **PASSED** YES: 5

NO: 2

ABSTAIN: 0

ABSENT: 0

Councilmember Redcorn—y

Second Chairman Red Eagle—y

Councilmember Revard—y

Chairman Waller—y

Councilmember Forman—y

Councilmember Gray—y

Councilmember Harlan—abstain

Discussion: Council Redcorn opined the minutes' quality has improved, and he appreciates the effort. **Council Forman** said she wished she could agree with Council Redcorn but does not. This particular set is

missing a lot of information and misinforming about positions of Councilpersons. There are unnecessary and unfounded accusations of council members. She will be voting no followed by a motion to amend with specific information. **Council Revard** stated he would be voting not to approve the minutes because he agreed with Council Forman. He had issues in the minutes that needed to be corrected before he could vote yes. **Council Redcorn** added the reasons he thought the minutes were improved is they contain more discussion details than past OMC minutes; he likes seeing the details of what and how things happened. They tell how OMC voted, and the minutes state exactly how items were discussed.

X. Adjourn

Time 3:14 p.m.

Motion by **Councilmember Redcorn**Second by **Councilmember Gray**Motion **PASSED** YES: 5

NO: 2

ABSTAIN: 0

ABSENT: 0

Councilmember Forman—n

Councilmember Gray—y

Councilmember Harlan—y

Councilmember Redcorn—y

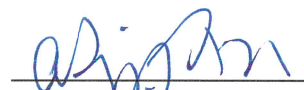
Second Chairman Red Eagle—y

Councilmember Revard—n

Chairman Waller—y

Discussion: **Council Forman** asked Council Redcorn to rescind his motion to approve the minutes. **Council Harlan** informed the point of order, as the motion to adjourn was already on the floor. **Chairman Waller** said the minutes were already voted, approved, and can't have a motion to change after approval. **Council Forman** said, "I've have been told many, many times before by Councilmember Harlan that I cannot correct the minutes after they're posted, that I have to wait until after the vote is taken, and then I can make a motion to correct them. So, I have witnessed and observed several times other council members correcting minutes on the floor before we've actually had the vote. So, there seems to be either a double standard, or we make the rules as we go. But, these minutes are incomplete. They need to be changed, and I will be sending out information to the council on what needs to be corrected. We need to understand this as a council where we are." **Council Harlan** retorted, "The Robert's Rules are always the same. I think there seems to be a miscommunication or a misunderstanding. The minutes cannot be corrected prior to coming to the floor. They can always be corrected prior to voting for their approval. There's where the miscommunication is. I have never said otherwise. Maybe it was misunderstood otherwise, but that was never what I said. When you vote on something, it's a done deal. Before the vote, you can have a motion to correct something that's wrong."

Approved by the Fourth Osage Minerals Council on February 16, 2022.


Everett Waller, Chairman
Executive Administrative Assistant