

JUNE 15, 2022

- I. **Call to order** at 10:00 a.m. by Chairman Everett Waller
- II. **Opening prayer and Reading of Deceased Osages** by Second Chairman Red Eagle
- III. **Roll call**

Councilmember Forman—present, via Zoom
Councilmember Gray—present
Councilmember Harlan—absent, due to holding court
Councilmember Redcorn—present
Second Chairman Red Eagle—present
Councilmember Revard—present
Chairman Waller—present, via Zoom

Declaration of Quorum

Guests: Buford Pollett, Tom Seng, Robert Knappe, Steve DeLong, Norma Standridge, Nevin Cooper, Ron Snyder, Bryan Cowns (Zoom), Clifford Taylor, Sharon Long, Linda Heskett, Julie Wilson, Cynthia Boone

Discussion: **Chairman Waller** announced that he had COVID and said OMC would be following the CDC requirements and guidelines. He asked that if anyone present knew they'd been exposed to please excuse themselves from the meeting.

- IV. **Superintendent's Report:** **Richard Winlock**, Osage Agency Acting Superintendent shared the report. Aggregates: APAC produced 30,803.39 tons and paid \$32,805.61 in royalty; Candy Creek produced 14,288.08 tons and paid \$11,959.12 in royalty; Wilson Ranch produced 0 tons and paid \$00 in royalty; Burbank Materials produced 12,003.16 tons and paid \$12,603.32 in royalty; Schmidt Brothers produced 600 cubic yards and paid \$450.00 in royalty; Rocky Bank produced 0 cubic yards and paid \$00 in royalty; Sherwood Construction produced 0 cubic yards and paid \$0 in royalty. Producing Wells: 14,852 less 3,230 for SWD Wells. Approved Permits: 6 Workover Permit; 9 Plugging Permits; 7 Emergency Plugging Permits; 0 Emergency Workover Permits; 0 Drilling Permits; 1 New Drilling Completion Reported: Wellco Energy / #3D-17 / OIL / NW 17-22-11 / 13 BOPD X 7 BWPD.

V. New Business

- a. **Resolution:** Approve an oil and gas lease for a primary term of three years for NE4 16-23N-4E at the rate of \$25 per net acre and 1/5 royalty rate for GLB Exploration Inc.

Motion by **Second Chairman Red Eagle**Motion **PASSED** YES: 5 NO: 0

Councilmember Forman—y

Councilmember Harlan—absent

Second Chairman Red Eagle—y

Chairman Waller—y

Second by **Chairman Waller**

ABSTAIN: 1 ABSENT: 1

Councilmember Gray—abstain

Councilmember Redcorn—y

Councilmember Revard—y

Discussion: **Bryan Cowns** of GLB Exploration joined the meeting on Zoom to request an oil and gas lease. **Councilmember Forman** asked whether he'd checked the property's availability. **Mr. Cowns** said he had checked, and the lease was available. **Council Revard** wanted to verify that the lease was for oil and gas with coalbed methane included; **Mr. Cowns** said yes. **Chairman Waller** asked communication regarding lease go through OMC's Chief of Staff.

- b. **Resolution:** Approve an oil and gas lease for a primary term of three years for NE4 11-22N-10E at the rate of \$35 per net acre and 20% royalty rate for CEJA

Motion by **Councilmember Redcorn**Motion **PASSED** YES: 6 NO: 0

Councilmember Gray—y

Second by **Councilmember Gray**

ABSTAIN: 0 ABSENT: 1

Councilmember Harlan—absent

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Councilmember Redcorn—y

Councilmember Revard—y

Councilmember Forman—y

Second Chairman Red Eagle—y

Chairman Waller—y

Discussion: **Nevin Campbell** from **CEJA** attended the meeting to request the oil and gas lease. He explained the original lease was in 2019, but due to COVID was terminated for inactivity. It took years to drill. CEJA just drilled this year, tested, but didn't make a well in 22-7. So, they now would to renew the lease in 22-10. **Council Forman** asked why the terms were 3/16 and not 1/5; she requested the royalty amount to be 1/5 to the new royalty amount. **Mr. Cooper** said the lease terms were written the way they were in the 2019 lease. **Council Gray** agreed with Council Forman adding all lease negotiations now have a 20% royalty rate. To be clear, the fair amount has to be at the current rate.

- c. Resolution:** Approve a gas lease for a primary term of three years for NW4 31-25N-09E with a \$3,400 bonus with a 20% royalty rate for Wellco

Motion by **Councilmember Forman**Motion **PASSED** YES: 6

NO: 0

Second by **Councilmember Redcorn**

ABSTAIN: 0 ABSENT: 1

Councilmember Redcorn—y

Second Chairman Red Eagle—y

Councilmember Revard—y

Chairman Waller—y

Councilmember Forman—y

Councilmember Gray—y

Councilmember Harlan—absent

Discussion: **Stan DeLong** from **Wellco** obtained a lease during the lease sale. **Council Forman** asked him if he was having problems with gas. **Mr. DeLong** said to operate the lease, he needs to lay a 1.5 mile line to another system. **Council Revard** asked if there was ever a meter on the property, but it's no longer there. **Mr. DeLong** said yes, but it was abandoned for leaks.

- d. Resolution:** Approve a gas lease with primary term of three years for five leases for John P. Long, Jr: Ted leases oil only for \$3,600 bonus with 20% royalty for SE4 34-25N-6E (2 wells), easement NE4 3-24N-6E; and Rickets oil and gas leases for \$4,500 bonus with 20% bonus for NE4 35-26N-9E, SE4 35-26N-9E, SE4 26-26N-9E

Motion by **Councilmember Redcorn**Motion **PASSED** YES: 6

NO: 0

Second by **Councilmember Gray**

ABSTAIN: 0 ABSENT: 1

Second Chairman Red Eagle—y

Councilmember Revard—y

Chairman Waller—y

Councilmember Forman—y

Councilmember Gray—y

Councilmember Harlan—absent

Councilmember Redcorn—y

Discussion: **Norma Standridge** attended the meeting as a representative for **John Long**, producer. She said there were five leases they wanted to renew as described in the resolution with legal descriptions. **Council Revard** asked if the easement was an ongoing well and why there was a need was for an easement. **Ms. Standridge** said the well was on a different property and only a disposal well was on the current property—it was for an easement renewal.

- e. White Palace Energy:** **Clifford Taylor** asked to purchase several leases that were no longer in production. He had gone to the BIA to check their availability. He asked to purchase the leases when they became available at \$5,000 per quarter for 27 the quarters. The leases are out of production and out of compliance, not all have equipment, and some need plugged. **Council Revard** asked about his familiarity with the leases because he knew Mr. Taylor used to work on some of the leases. He didn't think the leases were terminated yet. He then read the response he received the day prior from Ms. Kannady, BIA. The leases are not available. They are in the process of being terminated and cannot be released until they are officially terminated. **Council Forman** said she supported selling the leases to Mr. Taylor; she didn't

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want him to lose the leases because of the length of time it takes the BIA to terminate leases. She encouraged Mr. Taylor to continue checking at the BIA, so he knows when the leases become available.

- f. CCS/CCUS – University of Tulsa:** **Buford Pollett** and **Tom Seng** gave a presentation about a CCS/CCUS study TU did on the Osage Reservation. **Dr. Seng** said it's time to move forward on the project from theoretical to practical in Northeast Oklahoma and how to do it. They can utilize the Port of Catoosa for transport and distribution. Osage Nation is unique with their infrastructure in place, due to all of the orphan wells and potential sequestration. OMC could be a regional hub to capture CO₂ for the two large refineries in Tulsa. Enhanced oil recovery is also a need. However, CO₂ is needed now. **Council Forman** asked if carbon emissions had been identified in Osage County. She is very interested in the project, but she thinks there is a lot more work to be done before the project can start. **Dr. Seng** said fuel tax credits can be given to companies who help build infrastructure. **Council Redcorn** said he sponsored the utilization study. He thinks it is time for carbon capture at Osage. He'd like to see Arbuckle used. He asked how OMC could benefit from the Port of Catoosa. **Dr. Pollett** said the location of the Port of Catoosa is a "pipe dream" because it's a way to maximize the benefits and gives access to other markets and avoids the fight of pipelines. Waterway usage eliminates state borders, landowners, and only deals with the Coast Guard. **Council Redcorn** agreed with the waterway and would like to sell hydrogen because it has a higher value and could also be transported this way. **Dr. Seng** said there are hubs in Oklahoma, Texas, Arkansas and Louisiana with memoranda of understanding with colleges. **Council Gray** said she's tired of Osage being last at the table. It's time to step up and be first. She sponsored a hydrogen study, previously. **Dr. Pollett** said TU is a member of a native task force for hydrogen. **Stephanie Erwin**, headright holder, asked whether a study was done for CO₂ injection and what the potential impact would be to waterways. **Dr. Seng** said a feasibility study always has to be done prior to starting a project of this size.

VI.**Motion:** Enter Executive Session**Time** 11:05 a.m.Motion by **Second Chairman Red Eagle**Second by **Councilmember Redcorn**Motion **PASSED** YES: 6 NO: 0

ABSTAIN: 0 ABSENT: 1

Councilmember Revard—y

Chairman Waller—y

Councilmember Forman—y

Councilmember Gray—y

Councilmember Harlan—absent

Councilmember Redcorn—y

Second Chairman Red Eagle—y

a. Motion: Exit Executive Session**Time:** 11:34 a.m.Motion by **Councilmember Forman**Second by **Second Chairman Red Eagle**Motion **PASSED** YES: 6 NO: 0

ABSTAIN: 0 ABSENT: 1

Chairman Waller—y

Councilmember Forman—y

Councilmember Gray—y

Councilmember Harlan—absent

Councilmember Redcorn—y

Second Chairman Red Eagle—y

Councilmember Revard—y

b. Resolution: Write a letter to the BIA to inquire about the status of Performance Energy's Environmental AssessmentMotion by **Chairman Waller**Second by **Councilmember Forman**Motion **PASSED** YES: 6 NO: 0

ABSTAIN: 0 ABSENT: 1

Councilmember Forman—y

Councilmember Gray—y

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Councilmember Harlan—absent
Second Chairman Red Eagle—y
Chairman Waller—y

Councilmember Redcorn—y
Councilmember Revard—y

VII. Old Business

- a. Resolution:** Ask David Bird to get a proposal of the cost of improvements, e.g. gravel, fence repairs, gates, etc., to the Rainbow Pipe Yard and take said proposal to Osage Nation Congress with an OMC representative to request funds from the Nation

Motion by **Councilmember Revard**

Motion **PASSED** YES: 5 NO: 0

Councilmember Gray—y
Councilmember Redcorn—abstain
Councilmember Revard—y
Councilmember Forman—y

Second by **Second Chairman Red Eagle**

ABSTAIN: 1 ABSENT: 1

Councilmember Harlan—absent
Second Chairman Red Eagle—y
Chairman Waller—y

Discussion: **Second Chairman Red Eagle** said the issue—gravel at the Rainbow Pipe Yard—was tabled at the last meeting. The pipe yard is being mowed by the Nation. OMC has accumulated a lot of pipe with the implementation of the plugging program. It is currently being stored at several places. The price has been scaled down to an affordable price for OMC. **David Bird**, OMC contractor, presented about the need to clean the Rainbow Yard and place gravel on it to store the pipe. He gave bids for gravel on the entire yard and for the cost of placing gravel on half the yard. Then, he got quotes for a smaller amount for about 40-50 loads of rock and gravel at \$300-400 per load with a dozer to compact, which would cost less, for approximately \$25K. He thinks it will be safer to have the equipment stored in one place. **Council Revard** asked if the nation was responsible for cleanup since they are the owners on the lease. He thought it might be their responsibility to maintain it, too. If the nation won't let OMC use it as a pipe yard, the property should be sold. **Chairman Waller** asked if the nation is addressed about helping with the cost of cleaning and maintenance, OMC needs cost of cleanup and maintenance so they know how much to ask for; federal grants might also be an avenue to pursue for cleanup costs. **Council Forman** said a line item needs to be added to the budget for maintaining the property. It needs to be a state of the art facility because oil plugging will be taking place for years to come.

- b. Resolution:** Send letter to the Pawhuska BIA superintendent requesting copies of the 2021 lease status reports

Motion by **Councilmember Forman**

Motion **PASSED** YES: 6 NO: 0

Councilmember Redcorn—y
Councilmember Revard—y
Councilmember Forman—y
Councilmember Harlan—absent

Second by **Councilmember Revard**

ABSTAIN: 0 ABSENT: 1

Second Chairman Red Eagle—y
Chairman Waller—y
Councilmember Gray—y

Discussion: **Council Forman** said she has asked the BIA for annual lease status. Every producer is required to send their reports every year. The reports should be received at OMC by January. She said the information is important for OMC's data system. **Council Revard** said the reports are due by January 31 each year. Every active well's status and its location on the Mineral Estate is reported. There are currently 14K active wells.

- c. Election Report:** **Billie Ponca**, Election Supervisor, asked if everyone saw her June summary. The election workers also compiled a list of suggestions for the next election. \$34,626.35 was spent, to date, on the election. **Council Revard** asked if there was 211 absentee ballots. **Ms. Ponca** said 163 were received and said 47 ballots were found in the bottom of the election lockbox. **Council Revard** wanted to know who didn't get to vote. He also suggested contacting the 47 people who didn't receive their

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absentee ballots to let them know what happened. Ms. Ponca said she no longer had any of the election documents. After the election, the judge takes all OMC election information and documents and disposes of it. **Council Forman** said in 2018, there seemed to have considerably more people who participated in voting, both in person and absentee. **Second Chair Red Eagle** said the suggestions were good ideas and hopes to implement them for the next election. **Council Gray** thanked Ms. Ponca for her hard work on the election, adding no one is going to like everything. She said there will always be complaints no matter what you do. Sometimes errors happen. She agreed with Ms. Ponca that the election rules are antiquated. She also agreed the office should open sooner. **Ms. Ponca** stated the BIA was not helpful at all. **Council Gray** said a letter to the judge may be needed. She hopes OMC-5 will review the election rules. She concluded by wishing the next council the best. **Cynthia Boone**, shareholder, requested to speak about the election. She asked how many absentee ballot requests Ms. Ponca received. She wrote to Ms. Ponca a few weeks earlier and never received a response. She asked how many internet forms were used to request absentee ballots. **Ms. Ponca** said she didn't receive any forms from the internet. **Council Forman** countered saying she sent in a form she used from the internet.

VIII.**Motion: Approve Meeting Minutes**Motion by **Second Chairman Red Eagle**Motion **PASSED** YES: 5 NO: 0

Second Chairman Red Eagle—y

Chairman Waller—y

Councilmember Gray—y

Councilmember Redcorn—y

Second by **Second Councilmember Gray**

ABSTAIN: 1 ABSENT: 1

Councilmember Revard—y

Councilmember Forman—abstain

Councilmember Harlan—y

IX.**Adjourn**Motion by **Councilmember Redcorn**Motion **PASSED** YES: 5 NO: 1

Councilmember Revard—y

Councilmember Forman—y

Councilmember Harlan—absent

Second Chairman Red Eagle—y

Time: 12:47 p.m.Second by **Second Chairman Red Eagle**

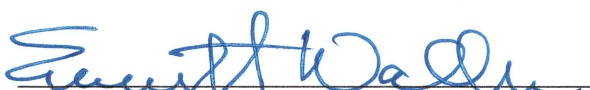
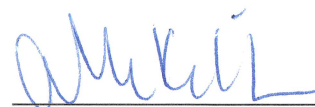
ABSTAIN: 0 ABSENT: 1

Chairman Waller—y

Councilmember Gray—y

Councilmember Redcorn—y

Approved by the Fifth Osage Minerals Council on July 20, 2022.


Everett Waller, Chairman

Executive Administrative Assistant