

- I. Call to order at 10:01 a.m. by Chairman Waller
- II. Opening prayer and reading of deceased Osages by Second Chairman Red Eagle
- III. Roll call by Lacey Reynolds
 - Councilwoman Forman—present, via Zoom
 - Councilwoman Gray—present
 - Councilwoman Harlan—present, via Zoom entered during Executive Session
 - Councilman Redcorn—present
 - Second Chairman Red Eagle—present
 - Councilman Revard—present, via Zoom
 - Chairman Waller—present, via zoom

Declaration of Quorum

Guests—Robin Phillips, Richard Winlock, Robert Conklin

Discussion: Items were added to the agenda: NCAI attendance, AAPG discussion, OMC promotional items

- IV. **Superintendent Report**—Robin Phillips presented a summary for the period of August 1-31, 2021. Producing Wells: 14,852, less 3,230 for SWD Wells; Approved Permits: four workover permits, three plugging permits, one emergency plugging permit, one emergency workover permits, zero drilling permits; there were two new drilling completions reported: 1) BGI Resources / Well # 12 / OIL / SW 21-28-07 / 24 BOPD x 111 BWPD and 2) BGI Resources / Well # 4 / OIL / NE 20-28-07 / 13 BOPD x 135 BWPD. **Discussion:** Permits, well plugging and the August lease sale were discussed. As a result of the lease sale discussion, a resolution (item V-a, below) was passed to hold two lease sales per year coinciding with the March and September OMC meetings. **Councilman Revard** asked for a result of the lease sale.

August 9, 2021 Lease Sale Results

Tract 1	NE 30-21N-9E	PE Osage	\$4,800
Tract 20	NE 5-23-12	Grand Resources	\$4,700
Tract 21	NW 5-23-21	Grand Resources	\$4,700
Tract 22	NE 6-23-12	Grand Resources	\$4,700
Tract 23	NE 31-24-12	Grand Resources	No amount given
Tract 24	NW 31-24-12	Grand Resources	\$4,700
Tract 25	SE 31-24-12	Grand Resources	\$4,700
Tract 26	SW 31-24-12	Grand Resources	\$4,700
Tract 27	NW 32-24-12	Grand Resources	\$4,700
Tract 28	SW 32-24-12	Grand Resources	\$4,700
Tract 41	SE 19-29-9	PE Osage	\$4,800
Tract 1—oil tracts less coal bed and methane—SW 32-21-12 Salee Oil \$3,600			

Discussion: **Councilman Revard** asked if the BIA assumes all liability of unplugged well bores found on leases, saying some of the sold tracts had over 100 well bores— orphan/abandoned. Will they be removed from the list? **Superintendent Phillips** said she is unsure whether there are any orphan wells on the list. **Councilman Revard** stated that 108 orphan wells were on the tracts listed. 19 were in the process of being plugged at the time of the lease sale. **Asst. Superintendent Winlock** said existing orphan wells have already been plugged. If the government paid for the plugging, they're not liable for any of those. **Councilman**

Revard asked if the 108 wells now belonged to Grand Resources and whether OMC should complete the 19 wells that were in the middle of being plugged. **Chairman Waller** asked about the status of emergency plugging. **Superintendent Phillips** told OMC to write a letter to the BIA addressing the concerns they mentioned, and she would provide a written response. **Councilman Redcorn** said OMC was already in possession of a letter from the BIA regarding the liability of well bores. He said well bores belonged to the lessee, and shareholders are protected from all liability. **Superintendent Phillips** said Councilman Redcorn was speaking about was an email she received from Candy Thomas. In the email, Ms. Thomas asked if the lessee accepts full responsibility of any well bores found on the property during the term of the lease. Superintendent Phillips said she emailed back saying, "That is correct." **Councilman Redcorn** believes that is an official response from the U.S. government. **Councilwoman Gray** stated OMC-4 has only had three lease sales since 2018. Dates need to be set and give the BIA notice to have lease sales. There is plenty of time until March. **Councilman Redcorn** said selling oil is OMC's business. OMC has two duties – approving leases and looking for other forms of development. **Councilman Revard** added he didn't want BIA dictating to OMC when to have lease sales. He is in favor of having lease sales when OMC is prepared. It's OMC's responsibility to headright owners to develop the Minerals Estate for the betterment. **Councilwoman Forman** said, "We also have to let reason prevail. We have to have a great amount of time to...pick out what leases...to sell...we've got thousands of acres that are...not leased...so, the way to protect our shareholders and get production up is to have good business practices on how we conduct these things." **Councilwoman Gray** said OMC and BIA should work together to get the lease sales done. **Superintendent Phillips** explained the lengthy amount of time it takes the BIA to prepare for a lease sale. After they receive OMC's resolution, BIA has to publish a notice, which allows bidders to make nominations. BIA then reviews nominated tracts to make sure they're available. Following that, they prepare a Lease Sale Bulletin, post it, and send it to potential bidders. According to BIA employee Kammy Kennaday, she needs a 90- to 120-day nomination period and an additional six weeks to get everything posted. Superintendent Phillips said she contacted Chairman Waller to see if OMC could have two lease sales per year to see how they go. The BIA needs to be allowed ample time to prepare for the leases and potential lessees need time to make a nomination. **Councilwoman Gray** asked why so much time was needed. She has spoken with previous OMC and former tribal council members who said it didn't take as much time in the past. She asked Superintendent Phillips whether a letter or email from BIA are considered official BIA responses. **Superintendent Phillips** responded, "Yes." **Councilman Redcorn** added prior to Superintendent Phillips' arrival at BIA, he pushed for a lease sale every other month and couldn't recall whether it happened or not. There were quarterly sales, though, and he didn't think that was enough. The average sale was \$129 per acre. He said times are different now because of 2014 government regulations. All of the regulations hurt business – there are too many regulations, EA's, EIS, etc. Government regulations are keeping producers from wanting to lease at OMC. **Councilwoman Gray** told Superintendent Phillips she'd like OMC to work more closely with Kammy Kennaday on lease sales, so she could help locate available tracts. As a result of this discussion, a motion was made to have two lease sales per year – see VI. New Business, item a.

V. Audit Report – The July Production and August Collections audit report showed:

Production	July, 2021	July, 2020
Gross Barrels	343,544	307,651
Royalty Barrels	50,848	46,378
Gross Barrels vs Royalty Barrels	14.80%	15.07%
Daily Barrels Produced	11,082.08	9,924.21
Average Price per Barrel	\$ 62.24	\$ 38.76

Collections	August, 2021	July, 2020
Total Oil Royalty	\$ 3,661,050	\$ 1,811,919

Total Gas Royalty	\$ 118,279	\$ 54,750
Tank Bottom Royalty	\$ 787	\$ 327
Total Oil & Gas Royalty	\$ 3,780,116	\$ 1,866,995
Actual Receipts	\$ 3,780,116	\$ 1,866.955

VI. New Business

- a. Resolution:** Rescind previous resolution to have four lease sales and change the two lease sales per year in March and September 2022 to coincide with OMC meeting dates

Motion by **Councilwoman Gray**

Second by **Chairman Waller**

Motion **PASSED** YES: 4

NO: 2

ABSTAIN: 0

ABSENT: 1

Councilwoman Forman—y

Councilwoman Gray—y

Councilman Redcorn—n

Second Chairman Red Eagle—y

Councilman Revard—n

Chairman Waller—y

Discussion: See *Discussion* in the Superintendent's Report.

- b. Resolution:** Grant a saltwater disposal easement agreement for Conklin Oil Company, LLC on Alcot 7-2 located in SE/4 Sec. 07-22-08

Motion by **Second Chair Red Eagle**

Second by **Councilwoman Forman**

Motion **PASSED** YES: 6

NO: 0

ABSTAIN: 0

ABSENT: 1

Councilwoman Gray—y

Councilman Redcorn—y

Second Chairman Red Eagle—y

Councilman Revard—y

Chairman Waller—y

Councilwoman Forman—y

- c. Motion:** Table agenda item: *OMC Regulations*

Motion by **Councilwoman Forman**

Second by **Chairman Waller**

Motion **PASSED** YES: 6

NO: 0

ABSTAIN: 0

ABSENT: 1

Councilman Redcorn—y

Second Chairman Red Eagle—y

Councilman Revard—y

Chairman Waller—y

Councilwoman Forman—y

Councilwoman Gray—y

- d. Motion:** Enter Executive Session

Time: 11:06 a.m.

Motion by **Councilwoman Gray**

Second by **Second Chairman Red Eagle**

Motion **PASSED** YES: 5

NO: 0

ABSTAIN: 0

ABSENT: 2

Second Chairman Red Eagle—y

Councilman Revard—y

Chairman Waller—y

Councilwoman Forman—y

Councilwoman Gray—y

Councilman Redcorn—stepped out

VII. **Motion:** Exit Executive Session

Time: 12:17 p.m.

Motion by **Councilwoman Gray**

Second by **Councilwoman Forman**

Motion **PASSED** YES: 7

NO: 0

ABSTAIN: 0

ABSENT: 0

Second Chairman Red Eagle—y

Councilman Revard—y

Chairman Waller---y

Councilwoman Forman—y

Councilwoman Gray—y

Councilwoman Harlan—y

Councilman Redcorn—y

VIII. Old Business**a. Resolution:** Purchase handouts not to exceed \$3,000 from the C-395 budgetMotion by **Councilwoman Gray**Second by **Chairman Waller**Motion **PASSED** YES: 7 NO: 0 ABSTAIN: 0 ABSENT: 0

Councilman Revard—y

Councilman Redcorn—y

Second Chairman Red Eagle—y

Chairman Waller—y

Councilwoman Forman—y

Councilwoman Gray—y

Councilwoman Harlan—y

Discussion: **Councilwoman Forman** said the DEMD updated a booklet, and there will be 50 copies available for handout at the booth. She would like it on a thumb drive since there are more people attending the AAPG Conference. **Councilwoman Gray** will direct OMC staff to create QR Code that links to the booklet, since flash drives are so expensive. Money will be used to market OMC and get their name out. The money will be used to purchase in bulk, i.e. 1,000 items such as stickers, stress balls. It isn't determined yet what will be bought. Items will be available in the future for other conferences, meetings, and for shareholders. **Councilwoman Forman** wanted to make sure items were purchased, possibly a Pendleton, to give to speakers. **Councilwoman Gray** suggested purchasing locally from Osage vendors, possibly a shirt with OMC logo or a *Killers of the Flower Moon* signed by the author. **Councilwoman Forman** said, "Those are things we can take care of outside of this." **Chairman Waller** added there will be an OMC meeting October 1 to take care of anything else that might come up before the meeting.

b. Motion: Table adopting gas measurement rules until any OMC member who wants to review can meet and review the document.Motion by **Councilwoman Forman**Second by **Councilman Redcorn**Motion **PASSED** YES: 7 NO: 0 ABSTAIN: 0 ABSENT: 0

Councilman Redcorn—y

Second Chairman Red Eagle—y

Councilman Revard—y

Chairman Waller—y

Councilwoman Forman—y

Councilwoman Gray—y

Councilwoman Harlan—y

Discussion: **Councilwoman Forman** shared that the gas measurement rules were posted. "I think it's time that we adopt them. They have been vetted by two gas measurement consultants." **Councilman Revard** requested a work session to go over the gas rules. The copy he received still seemed to be in draft form. **Councilwoman Forman** explained she left the "redline" information, so Council could see DEMD's changes after their gas expert reviewed Teddy Pfleger's draft. She agreed to table the motion until everyone could meet to discuss the document. She changed her motion to table the gas measurement until there could be a special working session. **Councilman Revard** agreed that Council members who were interested in

reviewing could meet for discussion. He thought the document needed clarification about duty assignments and how to pay for tasks. He wanted to make the BIA responsible. **Councilman Redcorn** agreed to table, but added he likes the regulations, and it's long overdue for OMC to adopt regulations. Some topics need to be discussed in Executive Session. He wants to see OMC and Osage Nation enforce jurisdiction and exercise their rights under Osage Nation's constitution. **Councilman Revard** agreed with Councilman Redcorn and thanked Councilwoman Forman for offering her time, effort, and expertise in getting the document created. He asked if the regulations were to replace the CFR. **Chairman Waller** explained the document would be sent to BIA as OMC's suggestion for inclusion in 25 CFR. Oil is under ABI regulations; gas is not. API

- C. Resolution:** Any OMC member may attend the virtual NCAI meeting in October 2021

Motion by **Councilwoman Gray**

Second by **Chairman Waller**

Motion **PASSED** YES: 6 NO: 1 ABSTAIN: 0 ABSENT: 0

Councilman Revard – y

Chairman Waller – y

Councilwoman Forman – n

Councilwoman Gray – y

Councilwoman Harlan – y

Councilman Redcorn – y

Second Chairman Red Eagle – y

Discussion: **Councilwoman Forman** asked for the cost of registration. **Councilman Revard** asked for the registration deadline. **Councilwoman Gray** said the cost is \$190, which includes a yearlong membership to NCAI. The meeting is October 11-14. Some of the discussion topics are infrastructure and energy. There will be a breakout session about natural resources with energy and minerals discussed. It's also a good meeting to learn about upcoming funding opportunities. Osage Nation has been a charter member tribe since NCAI's inception. Many tribal members have served on NCAI's board, and it's important to fight for sovereignty for Osage people and protection of the land and assets. **Chairman Waller** says it's a good arena to be heard, and he's been on several NCAI committees. If any OMC is nominated for a position, he would be in full support.

IX. Motion: Approve meeting minutes

Motion by **Second Chairman Red Eagle**

Second by **Councilwoman Gray**

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

Chairman Waller – y

Councilwoman Forman – y

Councilwoman Gray – y

Councilwoman Harlan – y

Councilman Redcorn – y

Second Chairman Red Eagle – y

Councilman Revard – y

X. Items not on the agenda

- a. Second Chairman Red Eagle** presented an update on the pipe yard. He spoke with the former owner, and she removed all her belongings from the property. Everything will be finalized soon. **Chairman Waller** said as soon as everything is signed, put locks on the property. **Second Chairman Red Eagle** agreed and suggested security cameras in addition to locks. **Chairman Waller** wanted to inspect the structures. **Second Chairman Red Eagle** said the loading dock needs repairs, along with stairs. An office needs a door, and other small repairs are needed. He recommended having bids for cleanup of the property.

XI. Motion: Adjournment
Motion by **Councilwoman Gray**

Time: 12:49 p.m.
Second by **Councilman Redcorn**

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

Councilwoman Forman — y

Councilwoman Gray — y

Councilwoman Harlan — y

Councilman Redcorn — y

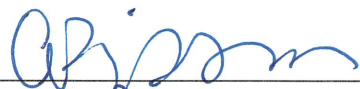
Second Chairman Red Eagle — y

Councilman Revard — y

Chairman Waller — y

Approved by the Fourth Osage Minerals Council on October 1, 2021.



Everett Waller, Chairman

Executive Administrative Assistant