



Osage Minerals Council
Regular Meeting
February 15, 2023
Pawhuska, Oklahoma

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1. **Call to Order and Welcome by Chairman Waller –**
2. **Opening prayer by Councilman Redcorn and reading of deceased.**
3. **Roll Call – Chief of Staff Lacey Reynolds**

Councilmember Bighorse – present
Second Chair Cheshewalla – present
Councilmember Currey – absent
Councilmember Redcorn – present
Councilmember Red Eagle – present
Councilmember Revard – present
Councilmember Shackelford – absent
Chairman Waller – present

Chief of staff Lacey Reynolds declares a quorum.

*Councilwoman Currey is online with technical difficulties.

Guests in attendance are Josh Davis, Mike Mackey, Brad Butler, Cliff Taylor, Alan Brown, Troyce Garringer, Stephanie Davis, Melinda Carter, Stanton Doyle, Robert Knappe, Scott Ducharme, Superintendent Cammi Canady, and Tyler McIntosh by zoom.

Chairman announces the Brown lease will be under item e. and taken care of by Councilman Red Eagle.

Councilman Redcorn requests that 9b be moved to before executive. It will be moved to New business item a.

Councilman Revard states that we received an email and we should talk about that in executive.

4. **Superintendent Report – Acting Superintendent Cammi Canady**
Cammi Canady announces Oil, Gas, and Water Royalty for December 2022 Production
Total Oil Produced 321,919.05 Royalties Paid \$3,670,145.48 Total Gas Produced 93,479
MCF Royalties Paid \$83,136.21 total Gas Liquids 241,463 Gallons Royalties Paid
\$42,138.35 Total Tank Bottom 491.64 Royalties Paid \$1,891.53 Producing Wells: 14,852
less 3,230 for SWD Wells Oil wells-13,319 Oil & Gas wells-62 Gas wells-1,144 CBM
wells-327 Aggregates: APAC produced 29,495.32 tons and paid \$35,630.35 in royalty
Candy Creek produced 25,378.98 tons and paid \$24,096.79 in royalty Burbank Materials
produced 25,235.47 tons and paid \$28,263.72 in royalty Wilson Ranch produced 81.98
tons and paid \$70.57 in royalty Schmidt Brothers produced 224 cubic yards and paid
\$168.00 in royalty Rocky Banks produced 0 cubic yards and paid \$00 in royalty
Sherwood Cons. produced 0 cubic yards and paid \$00 in royalty Approved Permits: 0



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Workover Permits 2 Plugging Permits 4 Emergency Plugging Permits 0 Emergency Workover Permits 14 Drilling Permits New Drilling Completions Reported No New Drilling Completions.

Councilman Redcorn states he noticed in September of 2022 we produced 330,000 barrels the December production is 320,000 so we are slightly down, he would like to see it go up, that is the council's job to get increase production to get more money in our shareholders pocket. **Councilman Revard** says he is having trouble with the math. **Acting Superintendent Canady** states she believes that is a little backwards. Total wells is the 14,852 plus 3,230. Councilman Revard asks if the last four for five years we have been thinking we had 14,000 and all this time, we have had 18,000. **Superintendent Canady** agrees and states this is not completely accurate and when she is relieved of some of her additional duties, she will get them done. Councilman Revard asks if it is a staffing issue. **Superintendent Canady** agrees that in the subsurface department they only have two people.

Councilman Red eagle states two meetings ago we had some problems with the SWD wells and we had to write a letter to the EPA and we have a man here who is claiming the same thing. He asks the Superintendent what is her take and relationship with the EPA. **Superintendent Canady** states that she deals with them more in the supervisory realty specialist; they just work alongside them and assists in keeping their records up to date. From a superintendent point of view she has not dealt with them, but she feels like she can reach out to them and see what the issues are. She was told that there is only one person in their office that can do certain types of testing, but she will reach out to them as acting superintendent. **Councilman Revard** says he reached out to the department after our last meeting, and he was referred to Caleb Kennedy who is the only field tester and they are training a second one. Caleb also informed Councilman Revard there is no backlog, and if we were to call any of the producers, that they would be there within ten days. So, he does not understand where there issue is, but Caleb told him that they are current.

5. BTFA Update – Troyce Garringer

Fiduciary Trust Office Troyce Garringer announces she has Stephanie Davis with her. Headright is \$5620 and they noticed it is on Facebook, as soon as it hits the OMC facebook they update their staff and let everyone know. Shareholders can call March 1 to request access to their funds. Direct deposit is encouraged and that can be in bank accounts in 2-5 days. Checks take 10-15 days. She states she did provide information regarding to written



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request. Everything was forwarded to solicitors office, and they were informed any further questions concerning the proposed rule, should be directed to Eddie Streater.

6. Osage Nation Treasury report – Tyler McIntosh

Mr. McIntosh gives a report through January 2023. Total assets is \$154,429 Total liabilities \$52,342 Fund equity is \$102,087. The net change is (\$58,588). YTD expenditures is \$199,054 and revenue is (\$199,054). No funds deposited and all information is reflective of invoices turned into treasury. Current year is trending with reduction of fund balance in the amount of \$199,054 from the beginning of the fiscal year and IDC budget needs to be submitted to Congress for Appropriation. Mr. McIntosh states the council requested historical information and he wanted to review and see if this information will work if it is reported by quarter and how the council would like to receive that. The other request was for a vendor activity report. This report was ran and generated. **Councilman Revard** says what he is still requesting access to Microix, what he wants to have access to financial records, since he is responsible, he would like to look at an invoice during his term, something that may have been something subsequent to their approval, and he would like to go look at an invoice. He states we ought to have an accounting system accessible to the elected officials. He wants to go to our office around the corner and look at an invoice. **Councilman Redcorn** asks if we are still getting four drawdowns for our account. **Tyler** says yes, the body makes the request. **Councilman Redcorn** states budgets does not change a whole lot, is that correct? **Tyler** agrees. **Councilman Redcorn** states he would like to see how the expenditures have changed. **Councilman Revard** gives his recollection of the 2023 budget approval. **Councilman Redcorn** asks how many eyeballs see an invoice and approve every check before it is paid. **Tyler McIntosh** states typically 95% of expenditures are procured through a requisition or purchase order prior to incurring that expense. That is where it starts, it has to go through manager or director approval prior to being issued and through that process those are the first checks and balances. Council member Redcorn says so there budget is one thing then you have to establish a requisition to bite into that budget. **Tyler** says he is working on creating a report that will reflect encumbrances that will reflect the purchase orders that you have out there. **Councilman Redcorn** says it doesn't reflect the total budgeted amount, just the total PO requisitioned amount. **Tyler** says the current report is more based on invoices that have been paid. That's when the expenditure shows up. **Councilman Redcorn** says so the invoice is not paid without going through Microix. **Tyler** agrees and states if payment does not reconcile with the PO then it is stopped. **Councilman Redcorn** says we have stated before we have the ability to take our money and put it somewhere else, but we decided to keep it in the nation due to the checks and balances and the audit process and asks results of the audits. **Tyler** says 2019 shown two



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material weaknesses he entered in 2020 and improved those findings and there are no material weaknesses since. **Councilman Revard** says you require a purchase order from us, and he would like to know if purchase orders are approved if the amount of funding available is exceeded if they are approved. **Tyler** says it's the department manager who should be the first one to recognize there is not enough money. If that is not done at the departmental level it would show a negative, a budget modification is needed, but this is your budget and your funds. Accounting would just come back and say you have a negative and a budget modification is needed to correct those.

Chairman announces we will take a short break. Time: 11:00 am

7. New Business

a. Warrior – Robert Knappe – AirLift technology

Robert Knappe states he was invited back to come back and give a presentation on the technology that they are using. This is one of the pumps that has been deployed in 30 wells that utilizes gas and it compresses gas and uses it to lift fluid and makes it available at pressure to put in flow line to take to a tank battery or put in a gas gathering system. The pump is made of 316 stainless and connected with regular hdpe polypipe. Mr. Knappe walked through slide presentation describing how the technology works.

Councilman Redcorn states he would like to ask the council what do we have today. We control the bonuses on a lease, we control the royalties on a lease. There might be some cash available we have at our disposal. There is nothing that has to change on those elements. I would like to entertain that we in the future, we come back and make a possible agreement with these gentlemen to utilize this technology. So we can drive up production, capture more gas, deal with venting. In the future he would like to come back to the council to see if we can make this happen. **Councilman Revard** says we don't own any wells and we don't need an agreement with this party. He is excited about this equipment and he is all in favor of introducing this to some of our producers. If we want to try this in orphan, abandoned wells send them out there and as a body talk about one or two particular wells and send them out there. He does not think we need a long-term agreement. **Councilman Revard** says this technology is already exists and is proven but if we put it in an orphan well it might help us test a well for commercial capability. He says maybe we can do it under our plugging program. He states we cannot produce one of these wells. So he does not see buying one because we do not have any wells, but he is all for promoting it and using it to test our orphan abandoned wells. **Chairman Waller** That mural says we can. We got a lease that is all it would take. The BIA would have to approve it. **Councilman Redcorn** says we can develop a lease, we consider the bonuses,



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we consider the royalties. **Mr. Knappe** says if we can extend the economic life of wells and put them back into production we are all for it.

Motion: Enter executive

Time: 12:19 a.m.

Motion by: Councilman Redcorn

Second by: Councilman Red Eagle

Councilmember Bighorse – Y

Second Chair Cheshewalla - Y

Councilmember Currey – Y

Councilmember Redcorn - Y

Councilmember Red Eagle – Y

Councilmember Revard –Y

Councilmember Shackelford – Y

Chairman Waller - Y

Motion: **Passed** YES: 8 NO: 0

ABSTAIN: 0 ABSENT: 0

8. Executive

Motion: Exit executive

Time: 1:35p.m.

Motion by: 2nd Chair Cheshewalla

Second by: Councilman Shackelford

Councilmember Bighorse – Y

Second Chair Cheshewalla - Y

Councilmember Currey – Y

Councilmember Redcorn - Y

Councilmember Red Eagle – Y

Councilmember Revard –Y

Councilmember Shackelford – Y

Chairman Waller - Y

Motion: **Passed** YES: 8 NO: 0

ABSTAIN: 0 ABSENT: 0

Motion: authorize Chairman Waller to advise in writing to the attorney general that we would like his assistance in collecting the amount of funds from Gary Lester or his business entity that was paid to him for the acquisition of pipe racks to be used for our plugging well program.

Motion by: Councilman Revard

Second by: Councilman Red Eagle

Councilmember Bighorse – Y

Second Chair Cheshewalla - Y

Councilmember Currey – Y

Councilman Redcorn - Y

Councilmember Red Eagle – Y

Councilmember Revard –Y

Councilmember Shackelford – Y

Chairman Waller - Y

Motion: **Passed** YES: 8 NO: 0

ABSTAIN: 0 ABSENT: 0

Motion: Approve tribal development grant in the amount of \$1,000,000

Motion by: Councilman Revard

Second by: 2nd Chair Cheshewalla

Councilmember Bighorse – Y

Second Chair Cheshewalla - Y

Councilmember Currey – Y

Councilman Redcorn - Y

Councilmember Red Eagle – Y

Councilmember Revard –Y



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Councilmember Shackelford – Y
Motion: **Passed** YES: 8 NO: 0 Chairman Waller - Y
ABSTAIN: 0 ABSENT: 0

Motion: Approve tribal implementation grant for \$49,000,000.

Motion by: 2nd Chair Chesewalla	Second by: Councilman Bighorse
Councilmember Bighorse – Y	Second Chair Chesewalla - Y
Councilmember Currey – Y	Councilman Redcorn - Y
Councilmember Red Eagle – Y	Councilmember Revard –Y
Councilmember Shackelford – Y	Chairman Waller - Y
Motion: Passed YES: 8 NO: 0	ABSTAIN: 0 ABSENT: 0

9. Old Business

a. APAC – 214 Lease – Josh Davis

Motion: Rescind Resolution 5-53 granting APAC a 214 lease.

Motion by: Councilman Red Eagle	Second by: Councilman Shackelford
Councilmember Bighorse – Y	Second Chair Chesewalla - Y
Councilmember Currey – Y	Councilman Redcorn - Y
Councilmember Red Eagle – Y	Councilmember Revard –Y
Councilmember Shackelford – Y	Chairman Waller - Y
Motion: Passed YES: 8 NO: 0	ABSTAIN: 0 ABSENT: 0

Motion: Waive APAC a 214 lease.

Motion by: Councilman Red Eagle	Second by: Councilman Shackelford
Councilmember Bighorse – Y	Second Chair Chesewalla - Y
Councilmember Currey – Y	Councilman Redcorn - Y
Councilmember Red Eagle – Y	Councilmember Revard –Y
Councilmember Shackelford – Y	Chairman Waller - Y
Motion: Passed YES: 8 NO: 0	ABSTAIN: 0 ABSENT: 0

- b. Kapture Air lift Demonstration – Robert Knappe (item moved into new business.)
- c. Development Grant (item taken care of following executive.)
- d. Implementation Grant (item taken care of following executive.)
- e. Brown Lease – Myron Red Eagle



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Councilman Red Eagle states that Mr. Brown approached him about the MITs. Councilman Revard states what he understands this particular test require a certain type of test using Nitrogen. That authority to witness those tests has been taken away from our local office and has to be done through EPA region 6 out of Dallas and that is the backlog. **Mr. Brown** states he has a lease that has been down since April of 2000 it is a small lease. The disposal well requires a nitrogen test. The EPA requires an engineer to be there. Caleb Kennedy informed him he had been trained but is not allowed to go out and do it. It is his understanding that there are multiple wells. Councilman Revard says he thinks we need to put heat on EPA region 6 and find out why they don't have anybody to do this. **Councilman Revard** states we should write a follow-up letter. **Chairman Waller** states we will get the letter out.

10. Meeting Minutes

Chief of Staff states there are no meeting minutes to be approved.

11. Adjournment

Adjournment

Motion: Adjourn

Motion by: Councilman Shackelford

Councilmember Bighorse – Y

Councilmember Currey – Y

Councilmember Red Eagle – Y

Councilmember Shackelford – Y

Motion: **Passed**

YES: 8

NO: 0

Time: 2:01pm

Second by: Councilman Red Eagle

Second Chair Chesewalla - Y

Councilman Redcorn - Y

Councilmember Revard – Y

Chairman Waller - Y

ABSTAIN: 0

ABSENT: 0

Approved by the Fifth Osage Minerals Council on March 15, 2023.

A handwritten signature in blue ink, appearing to read "Everett Waller".
Everett Waller, Chairman

A handwritten signature in blue ink, appearing to read "Lacey Reynolds".
Lacey Reynolds, Chief of Staff