



OSAGE MINERALS COUNCIL NEWSLETTER

3rd Osage Minerals Council Official Publication

FALL 2016

EPA apparently will shut down Osage County disposal due to Pawnee earthquake

By Corey Jones Tulsa World

The Environmental Protection Agency apparently intends to shut down 17 disposal wells in Osage County in response to the Sept. 3 magnitude 5.6 earthquake near Pawnee.

The record 5.8 quake's epicenter in Pawnee County was about two miles from the Osage County line.

Everett Waller, chairman of the Osage Nation's Minerals Council, said preliminary reports indicate that 17 disposal wells injecting into the Arbuckle formation are in the area of interest in Osage County and would be affected by EPA action.

He expressed concerns Sep. 6 but withheld detailed comments until more information from the federal government is known to the tribe's leaders.

Waller said the tribal lands have non-commercial disposal wells that don't involve the high volumes seen elsewhere in the state. He also noted that the county isn't nearly as seismically active as some other areas of Oklahoma.

Bryan Tapp, associate professor of geosciences at the University of Tulsa, said Osage County has been quiet seismically. However, Tapp explained, research shows that the key 55-mile-long fault that runs northeast through the middle of the county is critically stressed and optimally oriented for quakes to occur.

"That has several people concerned," Tapp said in an email to the Tulsa World. "The general thought is that the longer a fault segment, the larger the potential earthquake.

Through Sept. 3, 45 quakes of magnitude 2.5 or greater had occurred in Pawnee County this year. There were 109 in 2015, 57 in 2014 and five in 2013.

On a statewide basis, Oklahoma experienced 35 quakes of 3.0 magnitude or stronger in 2012, 109 in 2013, 584 in 2014, and 902 in 2015. Through Sept. 3, 2016, the Oklahoma Geological Survey has recorded 473 throughout the state.

Donelson Case Dismissed

The Honorable Judge James H. Payne ruled on two rulings March 31, as the case with Martha Donelson and John Friend, on behalf of Similarly Situated Persons, Case No. 14-CV-316-JHP-FHM was dismissed.

Before the Court were sixteen Motions to Dismiss Plaintiffs' First Amended Complaint filed by each of the twenty-seven named Defendants in this case. Also before the Court were the Osage Minerals Council's Motion for Limited Intervention to Move for Dismissal of this Action and Plaintiffs' Motion to Take Judicial Notice. Because the various motions overlap and cover similar issues, the Court addressed each of the pending motions in the Opinion and Order.

Plaintiffs Martha Donelson and John Friend own surface estates in Osage County, Oklahoma. The named Plaintiffs brought this action on their own behalf and on behalf of all surface owners and surface lessees of land located in Osage County, Oklahoma, who owned such land as of the filing date of the first amended complaint, whose property is subject to an oil and gas mining lease, concession agreement, or drilling permit and upon which the Defendants and the defense class members have either commenced, threatened to commence, or have completed drilling and completion operations. Plaintiffs brought suit against twenty-nine named Defendants, twenty-seven of which remained in the case. In his ruling, Judge Payne said there were sixteen Motions to Dismiss Plaintiffs' First Amended Complaint filed by each of the

twenty-seven named Defendants in this case. Also before the Court was the Osage Minerals Council's Motion for Limited Intervention to Move for Dismissal of this Action and Plaintiffs' Motion to Take Judicial Notice. Because the various motions overlapped and covered similar issues, the Court addressed each of the pending motions in this Opinion and Order.

Specifically, the Osage Minerals Council moved for limited intervention in this case for the sole purpose of filing a motion to dismiss this action for failure to join an indispensable party. Plaintiffs object to the Council's motion to intervene. Having dismissed all defendants from this case, the Court found their motion to be moot, thus the Osage Minerals Council motion was denied.

Plaintiffs asked the Court to take judicial notice of the United States' filings in *United States of America v. Osage Wind, LLC, Enel Kansas, LLC and Enel Green Power North America, Inc.*, 14-cv-704-JHP-TLW, which was filed in the Court in 2014. In particular, Plaintiffs point to the filings by the United States in that case, in which the United States acknowledges its fiduciary responsibility to protect the Osage Mineral Estate. Plaintiffs argued the United States' position in the Osage Wind case supports Plaintiffs' argument that the Osage Nation is not a necessary or indispensable party. Six of the non-Federal Defendants objected to the Plaintiffs' Motion: B & G and Wellco; Devon and Linn; and Link Oil and Toomey Oil.

Therefore, the Motions to Dismiss were granted.

The Court found the Plaintiffs' Motion to be moot. The Court granted the non-Federal Defendants' motions to dismiss based on failure to state an

(see "Dismissed", pg. 2)

QUARTERLY REPORT - SEPTEMBER, 2016

Data for this report is provided from and compiled by Jim D. Swan, the Minerals Council Auditor. He is responsible for ensuring our accounts are maintained in strict accordance with Federal law. Jim is also responsible for preparing Monthly Oil and Gas Production Reports. Most importantly he calculates the Quarterly Payment.

This is accomplished by auditing data provided from Office of the Special Trustee in Albuquerque, New Mexico.

Payment for the third quarter (September 2016) is \$3,230 per headright.

Computation: Total Revenue \$7,209,421.48 for the second quarter production and collections. (\$7,209,421.48 divided by 2,228.97393 headrights equals \$3,230.00 rounded back to the nearest \$5.00.)

Major Details of the \$7,209,421.48

Oil and Tank Bottoms Production: 1,082,704 gross barrels or 166,473 royalty barrels.

Oil Revenue: \$7,332,608.57

Average price per barrel of oil: \$44.05

Gas Production: 1,543,121 gross M.C.F. or 270,239 royalty M.C.F. and 2,779,156 gallons.

Gas Revenue: \$495,568.59

Revenue for M.C.F.: \$309,707.97

Sand and Gravel Royalty: \$82,378.86

Revenue for gallons (liquids): \$185,860.62

Oil and Gas Rental Collected: \$16,193.39

Oil and Gas Bonuses Collected: \$85,400.00

Water Use Royalty: \$65,604.00

Interest Earned: \$4,777.53

Miscellaneous Revenue: \$18,299.40

Gross Production Tax Paid to the State of Oklahoma: \$391,408.86

Miscellaneous Disbursements: \$500,000.00

"Dismissed" (cont. from pg. 1)

actionable claim. For this reason, the Court did not address the argument that the Osage Nation is an indispensable party. Because this issue will not be addressed, it was not necessary to determine whether the Court may take judicial notice of the aforementioned declarations by the U.S. in *Osage Wind*. Accordingly, Plaintiffs' Motion to Take Judicial Notice was denied.

On Judge Payne's second ruling, pursuant to the Court's Order granting Defendant's Motion to Dismiss, the Court entered judgment for the Defendants and against the Plaintiffs pursuant to Rule 58 of the Federal Rules of Civil Procedure.



ACRONYMS

By Councilwoman Kathryn Red Corn

A - B - C

APD – Application for Permit to Drill
BIA – Bureau of Indian Affairs
bbl – Barrel of Oil
BLM – Bureau of Land Management
BPD – Barrels per day
CBM – Coal-bed Methane
CDIB – Certificate Degree of Indian Blood
CFR – Code of Federal Regulation
CO₂ – Carbon Dioxide

D - E - F

DOI – Department of the Interior
EA – Environmental Assessment
EIS – Environmental Impact Statement
ENR – Environmental and Natural Resources
EOR – Enhanced Oil Recovery
FTO – Fiduciary Trust Officer

I - M

IIM – Individual Indian Monies
Mcf – A single Mcf is equal to approximately 1,000,000 Btu (British thermal units) of energy.
MOA – Memorandum of Agreement
MOU – Memorandum of Understanding

N

NEG-REG – Negotiated Rulemaking Committee
NEPA – National Environmental Policy Act

O

OMC – Osage Minerals Council
ONCA – Osage Nation Congress Bill
ONCR – Osage Nation Congress Resolution
OST – Office of Special Trustee
OTC – Osage Tribal Council

P

PEA – Programmatic Environmental Assessment

R

RES – Resolution

S

SCADA – Supervisory Control and Data Acquisition

T

THPO – Tribal Historic Preservation Officer

U

USCFC – United States Court of Federal Claims

OSAGE MINERALS COUNCIL NEWSLETTER

Volume III, No. 2

An official monthly publication of the Third Osage Minerals Council, updating news as it becomes available and published with the permission of the Chairman.

All materials must be reviewed by the Chairman, voted on by the Council and may be edited for space and content.

Osage Minerals Councilman Takes Charge in Plugging of Skiatook Well

On June 30, 2016, Osage Minerals Councilman Joseph Cheshewalla, Chairman of the Plugging Committee, received a call from the Minerals Dept. Superintendent, Lee Burnett, alerting him to a possibility of a well purging gas around the area of the Skiatook Municipal Airport, near the Osage County line. He took down the information that he was given and waited on further contact from the Minerals Dept.

The councilman received another call from the Minerals Dept. confirming it was a purging well. The well was located in a new housing development and two homeowners were relocated to the Osage Casino hotel by Oklahoma Natural Gas as a safety precaution from the purging gas.

The well in question was drilled in 1925 and plugged with mud, which was a standard operating procedure at the time and was indeed an old oil well.

Councilman Cheshewalla contacted the Bureau of Indian Affairs again and was told that emergency plugging procedure paperwork was being processed and to proceed with things both on the phone and at the office.

He then contacted Chairman Everett Waller and Councilman Andrew Yates updating them on what he had found out. After doing this, he was contacted by Oklahoma Natural Gas, asking to be released from responsibility and to let landowners return to their residences, and a release was granted.

Councilman Cheshewalla immediately contacted a plugging contractor on July 1, 2016 and made arrangements with them to plug the well. Work was started after the 4th of July holiday and the well was plugged on July 8. At the time of this report, location restoration is continuing.

Meanwhile, a Tulsa news station was alerted and showed up on the site looking for a story to run, but had none because the job was completed as stated.

Councilmembers Go to Washington D.C. to Seek Funds in Operating Mineral Estate

On March 18, 2016, four members of the Osage Minerals Council, Cynthia Boone, Stephanie Erwin, Talee Redcorn and Joe Cheshewalla, all went to Washington, D.C. to seek funds for operating the Minerals Estate. Testimony was given in front of the Committee on Appropriations Subcommittee on Interior, Environment and Related Agencies, with Chairman, Senator Tom Cole. Please go to the Minerals website, listed below, for the full speech.

The Council respectfully requested that they increase the BIA's Natural Energy budget and requested \$4 million in direct funding for the Osage Minerals Council, so that the OMC can effectively manage the Osage Minerals Estate for the benefit of Osage Headright owners and the entire region.

Wah-Tiah-Kah Scholarship Award Recipients for Fall 2016 have been announced. Congratulations to: Cole Brumley, Process Technology; Blake Evans, Petroleum Engineering; Bret Fugate, Energy Management; Gabriel Pelayo, Petroleum Engineering. The members of the Minerals Council and Media Committee congratulate the scholarship recipients and wish them the best in their academic career.

**Deadline Date for Spring 2017 Semester is December 31, 2016
Oil Industry Field of Study * Four \$1,000 Awards Per Semester**

To apply, contact (918) 287-5346, or download the information from our website. Apply Early!

<http://www.osagenation-nsn.gov/who-we-are/minerals-council>

OMC News In Brief

Osage 25 CFR 226

After Judge Frizzell imposed an injunction on the implementation of the revised regulations for oil and gas leasing on the Osage Mineral Estate, the United States voluntarily agreed to remand the rules back to the Bureau of Indian Affairs. The Osage Mineral Estate is still being governed under the regulations as they existed prior to the negotiated rulemaking. The OMC will be involved in any promulgation of new rules, consistent with the Bureau of Indian Affairs' consultation policy.

Osage Wind Litigation

On September 30, 2015, Judge Payne of the United States Court for the Northern District of Oklahoma issued an Order & Opinion in the *United States v. Osage Wind, et al.* litigation that ruled against the United States and established bad precedent for the Osage Mineral Estate. The Osage Minerals Council appealed that decision to the Tenth Circuit Court of Appeals. This litigation is ongoing as the Osage Minerals Council continues to fight to protect the Osage Mineral Estate.

NEPA Litigation

There are currently two lawsuits pending in the United States Court for the Northern District of Oklahoma challenging the United States' compliance with the National Environmental Policy Act of 1970 ("NEPA") in regard to the United States' approval of leases and drilling permits. In the Osage Mineral Estate, the BIA use a 1979 BIA Environmental assessment to approve drilling permits which were found not to be adequate by the Court. (*Donelson v. Devon Energy Prod. Co., et al., Case No. 14-cv-316 -JHP-FHM; Hayes v. Chaparral Energy, LLC, et al., Case 14-cv-495-GKF-PJC*). Both cases were initiated by owners of surface land in Osage County. In both cases, the landowners have asked the Court to declare OMC's leases void. The Osage Minerals Council has moved to intervene as a limited intervener in both cases in order to file motions to dismiss for failure to join a required and indispensable party under the Federal Rule of Civil Procedure 19. Both cases are ongoing.

Wah-Tiah-Kah Scholarship

An Osage Minerals Council
Educational Program

By Rosemary Wood

(Reprinted with permission from the Osage News)

Wah-Tiah-Kah was a great warrior, profit and visionary. When he spoke he was wise, and the people listened. It seems fitting that the Minerals Council memorialize him in this.

The introduction of the scholarship application reminds us that in 1871, the Osage moved to what is known as the Osage Reservation of Oklahoma. "Prior to that move ...Wah-Tiah-Kah traveled south from our Kansas lands to determine for our people if this was wise and the boundaries of which it would encompass. Wah-Tiah-Kah walked the land; as he did so, he envisioned his grandchildren prospering. He knew this was good and that Wah-Kon-Tah had blessed the land for the Wah-Zha-Zhi."

The purpose of the scholarship program is to provide incentive, encouragement and financial assistance to Osage applicants pursuing higher education in oil and gas related fields.

The scholarship application states, "We honor Wah-Tiah-Kah, for without his wisdom, we would not have the oil that has sustained the Osage for over 100 years." By these scholarships, the Minerals Council hopes to help maintain and promote good stewardship over this great gift from Wah-Kon-Tah.

Eligibility requirements include proof of Osage membership, CDIB or Membership Card, completed application, enrollment in an accredited program leading to an academic degree, and certification or licensure in oil and/or gas related fields.

The scholarship program was initiated on October 20, 2010 by resolution introduced by Councilmember Melvin Core and passed unanimously with a vote of eight to zero. The initial resolve reads "funding for two scholarships for two students at \$1000.00 each semester for a total of \$4,000.00 per year...." Funding comes from the S-510 account, a PL 75-638 contract with the Bureau of Indian Affairs. No minerals money is used in this endeavor.

The first year was very successful with a full panel of highly qualified eligible applicants. So much so, the following year two more scholarships were added. In July 2014, Osage Minerals Council reviewed and assessed the program. It was judged successful in number and quality of applicants and in academic achievement. The scholarship program was continued by resolution, again unanimously.

Since the program began in 2010, 26 scholarships were awarded for a total of \$26,000.00. Studies vary from petroleum engineering, environmental management, process technology, energy management and other courses preparing graduates for the industry. Members of the Osage Minerals Council facilitate summer internships whereby scholarship recipients work for and with Oil producers within the Osage.

These scholarships are of great help to the individual recipients, and no doubt to their families and future families. But the Wah-Tiah-Kah Scholarship Program also helps our people as a whole, as a Tribe, as a Nation; and as owners of these resources. As a people, the more we learn about our resources the better we will be able to manage and develop them. Wah-Tiah-Kah told us that this is our last reservation. This is our inheritance, and we must be good stewards going forward.

Council "Hangs Up" on Phone Polls

In the May 18th Minerals Council meeting, discussion on Phone Polls was very active, as the vote passed 4 -3 (No - Cheshewalla, Erwin, Boone) in favor to discontinue them, and now rely on Special Meetings, as they are called.

Councilman Crum opened the discussion by telling the Council that "it has to do with the way the phone polls seem to proliferate all the time" and that "we do away with all phone polls".

Councilman Crum made the motion to discontinue the polls and Councilman Redcorn seconded.

Councilman Yates mentioned his disclosure to the polls. "My problem with them is, they are major decisions that need to be made out in open meeting, so that everyone can hear what everyone else is thinking or saying, or how they feel on the subject.

Councilwoman Erwin said, "I think these phone polls...give us an opportunity to carry on our business...We need to take care of our business day-to-day. It's a \$3 Billion estate or more...and if something happens that we need to do a poll vote, I think we need to do it."

Councilwoman Boone said that all this happened that she recalled that the Council's attorney had called and needed a decision immediately. "There's nothing secret about a telephone poll."

After the vote, Chairman Waller concluded with "We're going to have to get everyone two days of what you want before I call it. There won't be anything else other than that...If enough of you want it, I'll call each and every one of you, and we'll have a special meeting, and that will be only what that meeting is for."

Scheduled Osage Minerals Council Meetings for the Remainder of 2016

October 14 & 19
November 10 & 16
December 16 & 21

All beginning at 10:00 A.M. in the Council Chambers

Resolutions

Note: Only Council Members who voted 'No' appear due to space constraint.

7/22/15

3-75 MOTION TO: 6 Mo. Oil & Gas Lease for Wachtman-Schroeder BY: Boone SECOND: Erwin 7 Aye 0 No 1 Abs PASSED

3-76 MOTION TO: Amendment to C-395 BY: Yates SECOND: Erwin 7 Aye 1 Absent PASSED

3-77 MOTION TO: Move funds to BancFirst, Bartlesville BY: Erwin SECOND: Boone 6 Aye 1 No 1 (K. Red Corn) Absent PASSED

3-78 MOTION TO: Approve recommendation of Scholarship Committee BY: Waller SECOND: Erwin 7 Aye 0 Nay 1 Absent PASSED

3-79 MOTION TO: Discussion with Chief BY: K. Red Corn SECOND: Yates 2 Aye 2 Nay (Boone, Erwin) 4 Abstain FAILED

8/19/15

3-80 MOTION TO: Warrior Expl. O&G top lease mining terms shall Donelson Prevail BY: Crum SECOND: Yates 6 Aye 1 No (T. Redcorn) 1 Absent PASSED

3-81 MOTION TO: Black Dog lease to Warrior under existing terms on a top lease should Hayes prevail BY: Crum SECOND: Erwin 6 Aye 1 No (T. Redcorn) 1 Abs PASSED

3-82 MOTION TO: Allocate \$130 to create a website BY: Crum SECOND: 7 Aye 0 No 1 Abs PASSED

3-83 MOTION TO: Request BIA & FWS to remove requirements to comply with Oil & Gas Industry Conservation plan for EA BY: Boone SECOND: Erwin 6 Aye 1 No (Crum) 1 Abs PASSED

3-84 MOTION TO: Warrior Exploration 6 new 2-yr O&G lease BY: Crum 6 Aye 1 No 1 Abs PASSED

3-85 MOTION TO: Relieve Ian Shavitz of his duties to serve the OMC BY: T. Redcorn SECOND: Boone 4 Aye 3 No (Waller, Yates, Crum) 1 Absent PASSED

3-86 MOTION TO: Not pay Fredericks for windfarm work prior to 8/19/15 BY: Crum SECOND: Yates 7 Aye 0 No 1 Abs PASSED

9/16/15

3-87 MOTION TO: Approve Budget Amendment to C-395 BY: Yates Second; T. Redcorn 7 Aye 0 No 1 Abs

3-88 MOTION TO: Create an Outstanding Producer Award BY: Crum SECOND: Erwin 7 Aye 0 No 1 Abs PASSED

3-89 MOTION TO: OMC does not approve Lankford or Inhofe legislation BY: Boone SECOND: Erwin 7 Aye 0 No 1 Absent PASSED

3-90 MOTION TO: Rescind Resolution 3-44 BY: T. Redcorn SECOND: Yates 4 Aye 2 No (Waller, Boone) 1 Absent 1 Abstain PASSED

3-91 MOTION TO: Approve 2016 Meeting Dates BY: Boone SECOND: Cheshewalla 7 Aye 0 No 1 Abs PASSED

10/21/15

3-92 MOTION TO: JBD Top Lease BY: Yates SECOND: Crum 5 Aye 3 No (Erwin, K. Red Corn, T. Redcorn) 0 Abs PASSED

3-93 MOTION TO: Warrior Exploration 3 new

O&G Leases BY: Crum SECOND: Cheshewalla 7 Aye 0 No 1 Abstain PASSED

3-94 MOTION TO: Performance new O&G Lease BY: Crum SECOND: Cheshewalla 7 Aye 0 No 1 Abs PASSED

3-95 MOTION TO: Accept C-395 Amendment FY16 BY: K. Red Corn SECOND: Erwin 8 Aye 0 No 0 Abs PASSED

3-96 MOTION TO: Approve FY16 S-510 Budget BY: Yates SECOND: Erwin 8 Aye 0 No 0 Abs PASSED

11/13/15

3-97 MOTION TO: Direct Fredericks to send letter to Solicitor to appeal the windfarm case BY: Erwin SECOND: Boone 8 Aye 0 No 0 Abs PASSED

11/18/15

3-98 MOTION TO: Crum not to be referenced as OMC on EIS BY: Boone SECOND: Erwin 5 Aye 1 No (Crum) 2 Abstain PASSED

3-99 MOTION TO: Warrior new O&G (less CBM) lease BY: Yates SECOND: T. Redcorn 7 Aye 0 No 1 Abstain PASSED

3-100 MOTION TO: Enter into agreement regarding neg-reg BY: Erwin SECOND: Boone 7 Aye 0 No 1 Abstain PASSED

3-101 MOTION TO: Direct Osage Agency to provide OMC with fine information BY: Erwin SECOND: Boone 8 Aye 0 No 0 Abs PASSED

3-102 MOTION TO: Write position description for a part-time position to finish and correct the 2nd Minerals Council resolutions BY: K. Red Corn SECOND: Crum 5 Aye 1 No (Boone), 1 Abstain, 1 Absent

12/11/15

3-103 MOTION TO: Tom Fredericks to hire Kleinfelder to review EIS BY: Erwin SECOND: Crum 7 Aye 1 No (T. Redcorn) 0 Abs PASSED

12/16/15

3-104 MOTION TO: A.M. Cohron & Son sandy soil permit BY: Crum SECOND: T. Redcorn 7 Aye 0 No 1 Absent PASSED

3-105 MOTION TO: Builders Unlimited Sandy soil permit BY: Crum SECOND: Cheshewalla 7 Aye 0 No 1 Absent PASSED

12/22/15

3-106 MOTION TO: Fredericks Peebles & Morgan LLP to take legal action in Donelson and Hayes cases (Telephone Poll) 6 Aye 1 No (Crum) 1 Abs

3-107 MOTION TO: Warrior Exploration and Production new oil and gas lease (Telephone Poll) 8 Aye 0 No 0 Abs

1/20/16

3-108 MOTION TO: Approve phone polls BY: K. Red Corn SECOND: Erwin 6 Aye 2 No (T. Redcorn, Yates) 0 Abs PASSED

3-109 MOTION TO: Approve Spring '16 Scholarships BY: Yates SECOND: T. Redcorn 5 Aye 2 No (Boone, K. Red Corn) 1 Abstain PASSED

2/12/16

3-110 MOTION TO: OMC urges BIA to consider

its duty to maximize the recovery of oil and gas BY: Crum SECOND: Boone 5 Aye 0 No 3 Abs PASSED

3-111 MOTION TO: Sandy Soil permit to Guy Engineering BY: Crum SECOND: Boone 6 Aye 0 No 2 Abs PASSED

3-112 MOTION TO: Sandy Soil permit to Myers Engineering BY: Crum SECOND: Erwin 6 Aye 0 No 2 Absent PASSED

3-113 MOTION TO: Send Lankford letter to amend Osage royalty interest BY: Yates SECOND: Erwin 2 Aye 3 No (Crum, Waller, Yates) 3 Absent FAILED

3/21/16

3-114 MOTION TO: Council to approve travel to Washington, D.C. to attend and testify on appropriations 3/16 - 3/19 7 Aye 0 No 1 Abs PASSED

3/23/16

3-115 MOTION TO: Send flowers to Annette Gore on her 100th Birthday (Telephone Poll) 7 Aye 1 No (Crum) 0 Abs PASSED

3-116 Warrior Oil and Gas less CBM lease BY: T. Redcorn SECOND: Boone 8 Aye 0 No 0 Abs PASSED

3-117 CEP Commitment Modif. extend CEP until 12-13-2017 BY: Crum SECOND: T. Redcorn 5 Aye 1 No (Boone) 2 Abstain PASSED

3-118 Sandy soil permit to Wilson Ranch Excavating LLC BY: T. Redcorn SECOND: Crum 8 Aye 0 No 0 Abs PASSED

3-119 Pay 1/2 Fredericks bill BY: T. Redcorn SECOND: K. Red Corn 6 Aye 1 No (Yates) 1 Abstain PASSED

3-122 Eliminate Phone Polls BY: T. Redcorn SECOND: Yates 3 Aye 5 No (Waller, Boone, Cheshewalla, Erwin, K. Red Corn) 0 Abs FAILED

3/29/16

3-120 Send MOU on the EIS to the BIA (Telephone Poll) 6 Aye 2 No (Cheshewalla, T. Redcorn) 0 Abs PASSED

4/20/16

3-123 MOTION TO: Ratification and extension commitment for Spyglass Energy, LLC as prev. described in 3-57. BY: Erwin SECOND: Boone 8 Aye 0 No 0 Abs PASSED

3-124 MOTION TO: Extend BGI's concession agreement for one year to end February 17, 2018. BY: T. Redcorn SECOND: K. Red Corn 2 Aye 6 No (Boone, Cheshewalla, Crum, Erwin, Waller, Yates) FAILED

3-126 MOTION TO: Approve Lou Brock as emergency hire to fill Exec. Admin. Asst. BY: T. Redcorn SECOND: Crum 7 Aye 1 No (Boone) PASSED

3-127 MOTION TO: Approve 2 new two-year O&G leases (less CBM) with Wellco Energy Inc. BY: Boone SECOND: Erwin 7 Aye 1 No (Yates) PASSED

3-128 MOTION TO: Agree to raise APAC royalty rate to 10% of fair market value BY: Crum SECOND: Erwin 8 Aye 0 No 0 Abs PASSED

3-129 MOTION TO: Approve \$500 donation to Chilocco Alumni Association BY: Cheshewalla SECOND: Boone 8 Aye 0 No 0 Abs PASSED

(See "Resolutions" on pg. 6)

Resolutions

Note: Only Council Members who voted 'No' appear due to space constraint.

(Cont. from "Resolutions", pg. 5)

5/18/16

3-131 MOTION TO: OMC with assistance from Fredericks Peebles & Morgan LLP, prepare and submit a grant proposal under the Energy & Mineral Development Program to establish feasibility study for development of oil and gas production of the Osage Mineral Estate BY: Crum SECOND: T. Redcorn 8 Aye 0 No 0 Abs PASSED

3-132 MOTION TO: OMC with assistance from Fredericks Peebles & Morgan LLP, prepare and submit a grant proposal under the Tribal Energy Development Capacity to establish feasibility study for development of oil and gas production of the Osage Mineral Estate BY: Erwin SECOND: T. Redcorn 8 Aye 0 No 0 Abs PASSED

3-133 MOTION TO: Approve inviting the USEITI to come to the OMC and discuss plans they have to help with the OMC BY: Erwin SECOND: Boone 8 Aye 0 No 0 Abs PASSED

3-134 MOTION TO: Authorize OMC to attend SAIGE training June 7-9 BY: Erwin SECOND: T. Redcorn 8 Aye 0 No 0 Abs PASSED

3-135 MOTION TO: Waive sandy soil permit for Bronze Oak, LLC for work to be done on Osage Nation Roads Dept. west of Grandview Dr. & Campus Rd. BY: Erwin SECOND: Boone 7 Aye 0 No 1 Abstain

3-136 MOTION TO: Authorize instituting process for setting up Biannual meeting dates and gives Chairman authority to set them BY: Crum SECOND: Yates 8 Aye 0 No 0 Abs

3-137 MOTION TO: Not allow phone polls effective immediately BY: Crum SECOND: T. Redcorn 5 Aye 3 No (Boone, Cheshewalla, Erwin) 0 Abs PASSED

3-138 MOTION TO: Rescind Resolution 2-250 banning Cynthia Boone from the office BY: Boone SECOND: T. Redcorn 6 Aye 2 No (Crum, Yates) 0 Abs

5/26/16

3-139 MOTION TO: Authorize \$5,000 donation to each district's drumkeeper with receipts to be submitted after conclusion of dances BY: Yates SECOND: Crum 7 Aye 1 No (Boone) 0 Abs PASSED

6/15/16

3-140 MOTION TO: Grant 2-year extension to BGI on current concession agreement @\$50/acre; drill 1 well by Feb. 2018 & 2 additional vertical wells by Feb. 2019; Submit all seismic data and interpretation of seismic data to OMC BY: Yates SECOND: Cheshewalla 4 Aye 2 No (Crum, T. Redcorn) 2 Abstain FAILED

3-141 MOTION TO: Add additional meeting date per month BY: Boone SECOND: Erwin 3 Aye 5 No (Crum, K. Red Corn, T Redcorn, Waller, Yates) FAILED

3-142 MOTION TO: OMC Chairman or representative may request from BIA copies of production, leasing and drilling record from specifically identified lease units. BY: Crum SECOND: Yates 3 Aye 4 No (Boone, Cheshewalla,

Erwin, K. Red Corn) FAILED

3-143 MOTION TO: Grant two-year O&G lease (less CBM) to Davis Operating Company BY: Boone SECOND: Erwin 8 Aye 0 No 0 Abs PASSED

3-144 MOTION TO: OMC with assistance from Fredericks Peebles & Morgan LLP prepares opinion to establish beneficiary and assets of the Osage Mineral Trust. BY: Erwin SECOND: Boone 8 Aye 0 No 0 Abs PASSED

3-145 MOTION TO: Direct Chairman to sign MOU on the EIS as written by OMC's attorney. BY: Erwin SECOND: Crum 8 Aye 0 No 0 Abs PASSED

7/5/16

3-146 MOTION TO: OMC approves and submits proposal for funding under DOI Energy & Mineral Development Grant Program funding to establish and maintain accessible digital database of lease records, well logs, geophysical data and production data for the Osage Mineral Estate BY: Erwin SECOND: T. Redcorn 7 Aye 0 No 1 Absent PASSED

3-147 MOTION TO: OMC to approve and submit proposal for funding under DOI Tribal Energy Development Capacity grant program to create OMC-owned Upstream Entity to manage and produce oil and gas resources within the Osage Minerals Estate and create OMC regulations related to regulating and developing oil and gas resources within the Osage Mineral Estate. BY: Erwin SECOND: Boone 7 Aye 0 No 1 Absent PASSED

3-148 MOTION TO: No third party shall access the Osage Mineral Estate or restrict access thereto without express written consent of OMC; OMC shall promulgate and amend regulations to address third party impacts on Osage Mineral Estate; Surface owners and their employees who make only minimal personal use of mineral materials within the Osage Mineral Estate while utilizing the surface estate for residential or agricultural purposes that do not otherwise materially impact the Osage Mineral Estate, the mineral materials, or access thereto, shall not be subject to the regulations promulgated under this Resolution and the rules herein. BY: Erwin SECOND: Boone 3 Aye 3 No (Crum, Waller, Yates) 1 Absent FAILED

7/15/16

3-149 MOTION TO: Waive permitting process for City of Skiatook's water line relocation project; Verify amount of dirt removed and accept 10% of what has already been sold. BY: Yates SECOND: T. Redcorn 8 Aye 0 No 0 Abs PASSED

7/20/16

3-150 MOTION TO: Authorize Lou Brock to put meeting minutes on official website in draft form. BY: T. Redcorn SECOND: K. Red Corn 5 Aye 3 No (Boone, Crum, Waller) 0 Abs PASSED

3-151 MOTION TO: Approve recommendation of Scholarship Committee's scholarship recipients. BY: Yates SECOND: T. Redcorn 8 Aye 0 No 0 Abs

PASSED

3-152 MOTION TO: Approve the latest revised edition of Robert's Rules of Order to be used in all Council meetings. BY: K. Red Corn SECOND: Yates 8 Aye 0 No 0 Abs PASSED

8/18/16

3-153 MOTION TO: Approve Lacey Reynolds for salary increase to next step. BY: Erwin SECOND: Boone 6 Aye 0 No 2 Absent PASSED

3-154 MOTION TO: Close PL Account. BY: Yates SECOND: K. Red Corn 6 Aye 0 No 2 Absent PASSED

3-155 MOTION TO: Approve letter of support for IHS project in Hominy for water line extension. BY: Erwin SECOND: Crum 6 Aye 0 No 2 Absent PASSED

3-156 MOTION TO: Send letter to AmShore BY: Erwin SECOND: Boone 6 Aye 0 No 2 Absent PASSED

3-157 MOTION TO: Resolution authorizing letter to be sent to the BIA the legal reasoning why they authorized conveyance of property. BY: Erwin SECOND: Boone 4 Aye 2 No (Crum, Yates) 2 Absent PASSED

CONTACT NUMBERS

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Osage Minerals Council

Everett Waller-Chairman
Cynthia Boone
Galen Crum
Kathryn RedCorn



Joseph Chesewalla
Stephanie Erwin
Talee Redcorn
Andrew Yates

August 18, 2016

Mr. Jeff Neves
Amshore US Wind, L.L.C.
802 N. Carancahua, Suite 1250
Corpus Christi, TX 78401

Dear Mr. Neves:

I am writing to you on behalf of the Osage Minerals Council ("OMC") and in response to your letter received by our office on June 28, 2016. We do recall your letter of November 3, 2014, and we responded to that letter on January 7, 2015.

The Osage Minerals Council is the elected, governing body of the Osage Mineral Estate and represents the royalty owners of the Osage Mineral Estate, and has such powers and authority which were previously vested in the Osage Tribal Council, in accordance with the Act of June 28, 1906, 34 Stat. 539, as amended. The Osage Mineral Estate is held in trust by the United States on behalf of the Osage Tribe. Mining, excavation, or other work involving the Osage Mineral Estate requires compliance with federal law and regulations, including the regulations found at 25 C.F.R. part 214.

Our letter of January 7, 2015 made several requests: (1) a request for specific information related to the wind turbine construction and development plans; (2) a request that Amshore begin the process of obtaining the necessary tribal and federal approvals required under 25 C.F.R. §§ 211 and 214; and (3) a request for a meeting between the OMC and Amshore. The OMC never received a response from Amshore nor has the OMC received any of the specifically requested information. A copy of our letter of January 7, 2015 is attached to this letter.

The OMC still requests a meeting with you if Amshore is moving forward with this proposed project. However, in order to make such a meeting productive, we again request that you provide us with the following information in advance of the meeting:

1. Amshore's status of obtaining a federal permit as required by 25 C.F.R. § 214;
2. The number of turbines proposed;
3. Dimensions of the foundations (height/width/depth) to be excavated for (a) the construction of each turbine; and (b) the construction of any other project features, including but not limited to, roads, transmission line poles/towers, buildings, meteorological towers
4. Amount (in cubic yards) of solid materials that will be excavated for the construction of: (a) each turbine; and (b) ancillary project features;
5. Method(s) of excavating solid materials;
6. Manner in which turbines will be secured/affixed in the sub-surface;
7. Location/placement of solid materials following excavation for turbines and ancillary project features;
8. Any on-site or off-site treatment of excavated solid materials (e.g., crushing of solid materials).

We look forward to your prompt response.

Sincerely,

A handwritten signature in blue ink that reads "Everett Waller".

Everett Waller
Chairman, Osage Minerals Council



Third Osage Minerals Council

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BACON RIND
COUNCILMAN



PRIN. CHIEF
PETER C. BIGHEART



ASST. CHIEF
FRED LOOKOUT



ARTHUR BONNICASTLE
COUNCILMAN



PERRY KING
COUNCILMAN



ROMAN LOGAN
COUNCILMAN



EDGAR MCCARTHY
COUNCILMAN



PAH-SE-TO-PAH
COUNCILMAN



SHUN-KA-MO-LAH
COUNCILMAN



J. B. TRUMBLY
COUNCILMAN

Second Osage Tribal Council 1908-1910