

**OSAGE MINERALS COUNCIL
REGULAR MEETING MINUTES
SEPTEMBER 15, 2017**

1. CALL TO ORDER

Chairman Everett Waller called the meeting to order at 10:00 AM.

2. OPENING PRAYER AND READING OF DECEASED OSAGES- Councilman Yates

Councilman Yates gave the opening prayer and read the names of deceased Osages.

3. ROLL CALL

Lacey Reynolds called roll. The Osage Minerals Council present were: Cynthia Boone, Joseph Cheshewalla, Galen Crum, Stephanie Erwin, Kathryn Redcorn, Talee Redcorn, Everett Waller, Andrew Yates. A quorum was declared.

Guests present were Joy Ledbetter, Janel Perry, Myron Redeagle, Gene Bowlin, Paul Revard, Linda Heskett, Julie Wilson, Bob Knappe, Travis Keener, Fred Storer, Clay Wilson, Kandy Jump, Kevin Paslay, Scott Ducharme, Nathan Buchanan, Don Williams, Nona Roach.

Director Lynn announced the Lease Sale will be on November 1st during Oil & Gas Summit. Mr. Lynn announces that the lease sale will be open to the public, and that September 15th is the last day to nominate for the sale.

Chairman Waller announces that we will have an OMC meeting following the lease sale.

4. NEW BUSINESS

a) Hydration Engineering- Fred Storer- EA

Mr. Storer- We have completed the first phase of the project you authorized on August 23. The project to develop a site-specific Environmental Assessment which would reduce the cost and time required for the BIA to issue a drilling permit and then, with your support, persuade the Agency to embrace our work. The first site-specific drilling EA was written by the Agency, Andy Middick of Beacon Environmental, and Performance Operating Company and completed in March 2015. That 481-page document is posted on the Agency's website. To the best of my knowledge that document has been used as a template for all the drilling EA's written since. Because it is the Agency's responsibility to comply with NEPA, the Agency is responsible for writing the EA's. The Agency's resources are limited and the rules of the game allow permit applicants to hire consultants to write EA's. Beacon Environmental, Hydration Engineering, and others do this work. The process is working and the consultants and the Agency have become more efficient. Drilling permits are being issued. However, I believe all involved agree that there must be a better way. To execute your project, we wrote a Programmatic EA for well drilling and tiered to that a much simpler site-specific EA. In our method, a site-specific EA would be written for one or more proposed wells in a quarter section.

We furnished Mr. Lynn a draft on September 6. I understand he has shared that with you.

We also furnished Mr. Lynn a four-page questionnaire which would provide the necessary information to complete a site-specific EA. With that information in hand, I believe that a site specific EA could be created in a couple hours. In draft form, our work comprises: a 58-page Programmatic Drilling EA, a 9-page Site-Specific EA, and the 4-page questionnaire.

The basis for our 58-page Programmatic Drilling EA was an EA prepared for Spyglass Energy Group, LLC, (November 2016) by Beacon Environmental. We eliminated some of the unnecessary language (but not all, it looks very much like the existing EA's), except for all the site-specific language.

Our draft Site-Specific Drilling EA is based off an actual project we are now just completing. Our Information Questionnaire is easy to complete as soon as the wells are staked. Of course, it does not eliminate the requirements for Archeological and Beetle Surveys. Our method anticipates separate documents for each quarter section. To compare it with the "2015 Performance EA":

Performance Site Specific EA for 10 wells (in separate quarter sections) – 481 pages

New Site-Specific EA, ten 9-page documents – 90 pages

Information required from Applicant, ten 4-page documents – 40 pages

The number of pages is not the whole story. To use the 2015 Performance EA as a go-by it is necessary to mine the document and insert site specific information in many paragraphs. Our, your, method will avoid that and produce a readable document. (Not that anyone reads these documents.)

We are collecting comments and in short order will issue a revised draft and be ready to make presentation to the BIA. We hope we have your support.

Councilwoman Erwin asks who will be presenting to the BIA? Mr. Storer says that is the council's decision. Councilman Crum believes that Mr. Storer needs to be present in the conversation with the BIA directly. Councilman Redcorn says they can do a resolution to authorize Mr. Storer to talk to the BIA, and that he thinks Mr. Storer should talk to Zinke. Councilwoman Erwin believes we should vote on this on Wednesday. Councilman Crum believes that we may be premature in thinking about going to Zinke. If we get up there Zinke is going to ask of we have presented it to the local BIA. We need to go through the correct steps first.

Guest Paul Revard states that he believes that the BIA has already proven to adversarial to this body. Mr. Revard recommends that the OMC bring a producer with them to visit with Zinke. Councilwoman Boone believes that yes we will have many problems down the road, like the instance where Babst said you took the money.

b) Post for Executive Administrative Assistant permanent hire- Director

Tabled until Wednesday for a vote.

c) Royalty Policy Committee- Resolution to travel

Chairman Waller would like to approve his travel, the council will be reimbursed by the Committee. Vote tabled until Wednesday.

d) Breach of Trust- Stephanie Erwin

Councilwoman Erwin will speak further on this subject in Wednesday. She will be sending something on Monday to be reviewed by the council before the meeting.

Motion to go into executive session is made by Councilman Crum, Seconded by Councilman Redcorn.

Motion Passed: Councilwoman Boone- Yes, Councilman Cheshewalla- Yes, Councilman Crum- Yes, Councilwoman Erwin-Yes, Councilwoman Red Corn- Yes, Councilman Redcorn, Chairman Waller- Yes, Councilman Yates- Yes. (8-yes, 0-no)

Enter Executive- 10:41 AM

EXECUTIVE

Motion to come out of Executive is made by Councilwoman Boone, Seconded by Councilwoman Erwin.

Motion Passed: Councilman Cheshewalla- Yes, Councilman Crum- Yes, Councilwoman Erwin-Yes, Councilwoman Red Corn- Yes, Councilman Redcorn- Yes, Chairman Waller- Yes, Councilman Yates- Yes, Councilwoman Boone- Yes. (8-yes, 0-no)

Exit Executive- 11:48 AM

There are not votes coming out of executive.

OLD BUSINESS

a)Revard Oil & Gas

Paul Revard is here on old business. Mr. Revard had issues entering his lease due to the Core, therefore he was unable to drill during his primary term. His lease was then terminated, he appealed the decision. He is asking the council to approve a new lease for the same quarter section, as well as a lease in a nearby section, also requested the BIA release his bond.

b) Meeting Minutes- Director

The minutes have been tabled for a vote on Wednesday.

c) ODOT- Stephanie Erwin

tabled until Wednesday.

COMMITTEE REPORTS

a)newsletter

please review for Wednesday.

b)Budget

Please review the budget for Wednesday. The budget needs to be approved for FY 2018.

Councilman Redcorn states that he has been working on the Orphan Well Project, and that he would like to speak further about it on Wednesday.

Lacey Reynolds states the new policy will need to be reviewed by Wednesday.

ADJOURNMENT

Councilman Redcorn made a motion to adjourn seconded by Councilwoman Boone.

Motion Passed: Councilman Crum- Yes, Councilwoman Erwin-Yes, Councilwoman Redcorn- Yes, Councilman Redcorn- Yes, Chairman Waller- Yes, Councilman Yates- Yes, Councilwoman Boone- Yes, Councilman Cheshewalla- Yes. (8-yes, 0-no)

Adjournment- 12:39

Approved by:

A handwritten signature in black ink, appearing to read "Scott Walsh", written over a horizontal line.

Chairman

A handwritten signature in black ink, appearing to read "Amy Bledsoe", written over a horizontal line.

Executive Administrative Assistant