

**OSAGE MINERALS COUNCIL
REGULAR MEETING MINUTES
MAY 11, 2018**

1. Call to Order

Chairman Waller called the meeting to order at 10:20 AM.

2. Opening Prayer and Reading of Deceased Osages

3. Roll Call

Lacey Reynolds calls roll. The Osage Minerals Council members present were: Galen Crum, Everett Waller, Andrew Yates. A quorum was not declared.

Enter break: 10:29AM

Exit break: 10:50AM

Lacey Reynolds calls 2nd roll. The Osage Minerals Council members present were: Galen Crum, Stephanie Erwin, Kathryn Red Corn, Everett Waller, Andrew Yates. A quorum was declared.

Guests present were: Julie Wilson, Jinx Geurin, Tom Coast, Mike Mackey, Kyle Johnson, Roy Fletcher, Scott Ducharme, Bob Knappe, Stephen Brunner, Linda Heskett, Maria Whitehorn, and Nona Roach.

4. New Business

a. Spyglass Energy Group, LLC/ Bandolier – W. Blackland/Personia project and additional drilling plans – Robert Knappe

Mr. Knappe says development with the Personia concession last summer was that they utilized seismic data and interpretation to identify prospects they wanted to drill for Pennsylvania sand and Mississippi chat, and may have drilled four exploratory wells. Redfork sand number 1-11 was a dry hole plugged and abandoned. Mr. Knappe says they drilled at Mississippi chat number 2-11 and was responsible for over 4 million barrels produced from that Blackland field which was completed. Mr. Knappe says they had a new discovery called the West Blackland of the Mississippi chat which was associated with a complicated subsurface structural feature where chat was present with faulting that trapped hydrocarbons in the chat that was completed number 1-3. Mr. Knappe says they did a test of the four-acre open west extension of the Mississippi chat called the Henderson number 1-3 did not have developed chat sufficient to complete the hole so that was a dry well and initial production rate was about 80 barrels a day. Mr. Knappe says the seismic identified this nose extension to

the structure in the south, 2-11 is here, we did complete that, the Mississippi chat settled in about 11 barrels a day. Mr. Knappe says that he would like to ask the OMC for another extension of their concession agreement through 2021 which they will extend and increase that joint commitment with 12 wells this year and at least 9 wells per year following that. Mr. Knappe says that allows them to develop locations identified this year, get the seismic shoot done next year, and to begin developing those prospects identified based on that seismic shoot which would move that 20 square mile shoot to 2019, and that they will release 20% acreage from the agreement. Chairman says he will move this proposal to Wednesday.

b. 25 CFR 226 BIA's proposed revisions

Chairman says he would like to move this to Wednesday.

c. PL Account

Chairman says he would like to move this to Wednesday.

d. Summer NAPE

Chairman says he would like to move this to Wednesday.

e. Receptionist

Chairman says he would like to move this to Wednesday.

f. Calgary Energy LLC

Chairman says he would like to move this to Wednesday.

g. Acknowledgement of Centurion

Chairman says he would like to move this to Wednesday.

5. Executive

Chairman says he would like to move this to Wednesday.

a. Policies

Councilwoman Erwin says she would like to move this to Wednesday.

6. Old Business

a. Softball field well

Director says that he was contacted by the high school and they would like to have 4D and Long oil company fix the problem. Director says that they said they can put a sealer, dig three feet deep, funnel the gas out, cover it and put new sod on it for \$15,000. Director says he asked if we had an engineering report or if we could release the one that was done, and told him that we have a bid from an Engineering company, and says it's up to the Council. Director says there isn't anything in writing from John Long, and that they wouldn't carry insurance, and the company that did the bid would have it insured for this project. Councilman Yates says Mr. Long contacted him yesterday and said how he wanted to fix it and Councilman Crum told him that he needed sign off from everyone involved. Chairman says when he talked to Secretary of Energy and that someone will have to sign off federally, and that we wouldn't be the ones to review it which goes back to the last contractor they had. Chairman says the bureau is looking at bond money for this emergency.

b. PE Osage

Mr. Fletcher says they can report that they have a verbal agreement in place working towards having a purchasing sale agreement executed with the operator that owns the three quarter sections to the south of these two quarter sections and that their plan is to put together four sections to develop a water flood. Mr. Fletcher says from they can get it papered up quickly, they are investigating an entity that they can purchase, and believes they will have a purchasing cell agreement next week. Mr. Fletcher says they were proposing to lease two quarter sections southwest corner of 18 and the southeast corner of 13, the three quarter sections they would buy are in section 19 to the south that is contiguous, and that there are three or four more quarter sections they would like to come back and pull into this unit. Mr. Fletcher says they could come back do an AMI outline the sections, and that they may have to redo the tank battery. Mr. Fletcher says they could have a short time line on it, or agree on a portion up front and would ask that some of those dollars would be offset the remaining balance, and maybe a down payment of %25 and %75 due when they lease it. Chairman asks if they have production going. Mr. Fletcher says yes, 78 barrels a day, one subpump installed on twelve, four of other that are able to pump up, and out of four two of them pumped up well. Chairman asks if they want to consolidate these. Mr. Fletcher says the new area would have to be a waterflood lease. Chairman says they will take it to Wednesday.

c. Energy Net

Chairman says he would like to move this to Wednesday.

d. IHS Petra Renewal

Chairman says he would like to move this to Wednesday.

e. Education

Chairman says under the education policies of the nation the employees are allowed benefits from the nation to further their education and he would like to consider helping our staff complete their education. Chairman says this will be held in executive, we do not have this in our policies, and is in the book to review.

f. Election

Chairman says he would like to move this to Wednesday.

7. Committee Reports

Chairman says these are in the book for review.

a. C395 Budget Amendment

b. S510 Budget

8. Adjournment

Councilman Crum makes a motion to adjourn. Seconded by Councilman Yates.

MOTION PASSED: Councilman Crum – Yes, Councilwoman Erwin – Yes, Councilwoman Red Corn – Yes, Chairman Waller – Yes, Councilman Yates – Yes (5-yes, 0-no).

Adjournment- 12:05 PM

Approved by:

Chair

Executive Administrative Assistant