

**OSAGE MINERALS COUNCIL
REGULAR MEETING MINUTES
DECEMBER 19, 2018**

1. Call to order- Chairman Waller

Chairman Waller calls the meeting to order at 10:06 AM.

2. Opening Prayer

Councilman Redcorn gave the opening prayer.

3. Roll Call

Lacey Reynolds called roll. Council members present were: Susan Forman, Margo Gray, Marsha Harlan, Talee Redcorn, Myron RedEagle, Paul Revard, Everett Waller, and Andrew Yates.

Guests present were: Nona Roach, Robin Phillips, Richard Winlock, and Janel Perry.

Chairman Waller adds restricted property to executive, travel authorization for trusts to new business.

Motion by Councilwoman Gray to make the amendments, seconded by Councilwoman Harlan.

MOTION PASSED: Councilwoman Forman- Yes, Councilwoman Gray- Yes, Councilwoman Harlan- Yes, Councilman Redcorn- No, Councilman RedEagle- Yes, Councilman Revard- Yes, Chairman Waller- Yes, Councilman Yates- Yes. (7 yes, 1 no)

4. Superintendent Report

Superintendent Phillips reports: the branch of field operations reported: 2 trucking permits prepared, 8 gas reports scanned, 2 purchaser tank tables scanned, 2 tank tables encoded, 1 lease checked for production and primary term, 5 pluggings witnessed, 59 lease inspections, 52 lease inspection follow ups, 2 lact unit provings, 6 gas meter provings, 3 tank trucks checked for permit, 15 tank strappings witnessed, 80 landowner and lessee meetings, 6 complaints, 6 spills and leaks inspected, 33 spill and leaks follow ups, 30 tanks gauged, 12 run tickets figured, 24 gaugers calculation vs. purchaser calculations. The branch of lease management reported 13 approved leases, 43 approved assignments, 47 division orders approved, 4 lease terminations. 18,085 less for 3,235 for saltwater disposal and other wells for 14,850. The 3 leases that sold the most under 214 leases were APAC-\$20,518.69, Burbank materials- \$20,562.66, and Candy Creek Crusher-\$11,455.08. there were 4 requests for lease information, 1 FOIA request, and 3 non FOIA requests. The branch of subsurface minerals reported: 11 workover permits, 5 plugging permits, 60 permits pending, no wells completed in November. The 4 top oil producers were Chaparral Energy, Ceja, and Performance petroleum. The branch of enforcement and lease compliance reported 4 EA's covering 9 permits, 2 on site visits, 36 noncompliance letters, 6 non production letters, 2 fine letters, 4 penalty letters, 3 extension letters, 2 final notice letters, 2 spill remediation letters, 2 exemption approval letters.

5. New Business

a. Secretarial order 3206

Councilwoman Forman would like to have a legal opinion on the ABB and its relationship to the secretarial order to identify all violations and regarding the 1.2 acre waiver.

Motion by Councilwoman Forman to obtain a legal opinion from Pipestem Law of the various violations under secretarial order 3206 against the mineral estate. 1.2 acre with a letter to the Secretary of the interior identifying the findings, including the cost that has been lost, seconded by Councilman Redcorn.

Councilwoman Harlan points out that this is a secretarial order, not a law.

MOTION PASSED: Councilwoman Gray- Yes, Councilwoman Harlan- Yes, Councilman Redcorn- Yes, Councilman RedEagle- Yes, Councilman Revard- Yes, Chairman Waller- Yes, Councilman Yates- Yes, Councilwoman Forman- Yes. (8 yes, 0 no)

Motion by Councilwoman Harlan that the council reviews all documents from the attorneys before any action is taken.

MOTION PASSED: Councilwoman Harlan- Yes, Councilman Redcorn- Yes, Councilman RedEagle- Yes, Councilman Revard- Yes, Chairman Waller- Yes, Councilman Yates- Yes, Councilwoman Forman- Yes, Councilwoman Gray- Yes. (8 yes, 0 no)

b. Gas in kind

Councilwoman Forman makes a motion to request the appropriate department to issue an order for the option take gas in kind, seconded by Councilman Redcorn.

Councilwoman Harlan indicates she spoke with Ken Dalton on this, and there are a lot of steps involved. She would like to see the gas committee consult with him on this issue.

Councilwoman Gray would like to see the full plan on this before moving forward.

Councilwoman Forman amends her motion to add the option verbiage, seconded by Councilman Redcorn.

Motion by Councilwoman Gray to table until a package is complete, seconded by Councilman Yates.

MOTION FAILED: Councilman Redcorn- No, Councilman RedEagle- No, Councilman Revard- No, Chairman Waller- Yes, Councilman Yates- Yes, Councilwoman Forman- No, Councilwoman Gray- Yes, Councilwoman Harlan- Yes. (4 yes, 4 no)

Chairman calls for the question on the original motion.

MOTION FAILED: Councilman RedEagle- Yes, Councilman Revard- Yes, Chairman Waller- No, Councilman Yates- No, Councilwoman Forman- Yes, Councilwoman Gray- No, Councilwoman Harlan- No, Councilman Redcorn- Yes. (4 yes, 4 no)

c. Meeting with solicitor

Councilwoman Forman would like to set a date to have a meeting with the solicitor regarding the ABB survey hurdles. Councilwoman Harlan would like to wait to set the date until the legal opinion is returned. Superintendents Phillips would like to identify who exactly is going to be in the working group. Councilman RedEagle and Redcorn believes that these things need to move forward.

Councilwoman Gray would like to set a date for the working group at the next Council meeting

MOTION PASSED: Councilman Revard- Yes, Chairman Waller- Yes, Councilman Yates- Yes, Councilwoman Forman- Yes, Councilwoman Gray- Yes, Councilwoman Harlan- Yes, Councilman Redcorn- Yes, Councilman RedEagle- Yes. (8 yes, 0 no)

Motion By Councilwoman gray to set the working group at the next meeting and preparing a date, seconded by councilwoman Harlan.

MOTION PASSED: Chairman Waller- Yes, Councilman Yates- Yes, Councilwoman Forman- Yes, Councilwoman Gray- Yes, Councilwoman Harlan- Yes, Councilman Redcorn- No, Councilman RedEagle- No, Councilman Revard- No. (5 yes, 3 no)

Motion by Chairman Waller to allow Lacee to be reimbursed for mileage to complete trusts with Osage shareholders, seconded by Councilman Redcorn.

MOTION PASSED: Councilman Yates- Yes, Councilwoman Forman- Yes, Councilwoman Gray- Yes, Councilwoman Harlan- Yes, Councilman Redcorn- Yes, Councilman RedEagle- Yes, Councilman Revard- Yes, Chairman Waller- Yes. (8 yes, 0 no)

Motion by Councilwoman Gray to go into executive seconded by Councilwoman Harlan.

MOTION PASSED: Councilwoman Forman- Yes, Councilwoman Gray- Yes, Councilwoman Harlan- Yes, Councilman Redcorn- Yes, Councilman RedEagle- Yes, Councilman Revard- Yes, Chairman Waller- Yes, Councilman Yates- Yes. (8 yes, 0 no)

Time: 10:58 AM

6. EXECUTIVE

- a. Pipestem law contract
- b. Expert contract
- c. Solicitors opinion
- d. DEMD consultant Curtis Mathies

7. Old Business

Motion by Councilwoman Forman to come out of executive, seconded by Councilman Yates.

MOTION PASSED: Councilwoman Gray- Yes, Councilwoman Harlan- Yes, Councilman Redcorn- Yes, Councilman RedEagle- Yes, Councilman Revard- Yes, Chairman Waller- Yes, Councilman Yates- Yes, Councilwoman Forman- Yes. (8 yes, 0 no)

Time: 12:23 PM

Chairman Waller reports he will send out the expert contract.

Motion by Councilwoman Gray to execute the Pipestem law contract, seconded by COuncilman Yates.

MOTION PASSED: Councilwoman Harlan- Yes, Councilman Redcorn- Yes, Councilman RedEagle- Yes, Councilman Revard- No, Chairman Waller- Yes, Councilman Yates- Yes, Councilwoman Forman- No, Councilwoman Gray- Yes. (6 yes, 2 no)

Motion by Councilwoman Gray to work with Tammy Leeper to set a new date for the destruction of the ballots, seconded by Councilwoman Forman.

MOTION PASSED: Councilman Redcorn- No, Councilman RedEagle- Yes, Councilman Revard- Yes, Chairman Waller- Yes, Councilman Yates- Yes, Councilwoman Forman- Yes, Councilwoman Gray- Yes, Councilwoman Harlan- Yes. (7 yes, 1 no)

Lacey will contact Curtis Mathies to set up a meeting date.

Motion by Councilman RedEagle to request Dr. Hunter come to the next Council meeting, seconded by Councilwoman Harlan.

Chairman requests a letter to be sent.

MOTION PASSED: Councilman RedEagle- Yes, Councilman Revard- Yes, Chairman Waller- Yes, Councilman Yates- Yes, Councilwoman Forman- Yes, Councilwoman Gray- Yes, Councilwoman Harlan- Yes, Councilman Redcorn-Yes. (8 yes, 0 no)

Motion by Councilwoman Gray to send the letter regarding restricted land to the Superintendent, seconded by Councilman Redcorn.

MOTION PASSED: Councilman Revard- Yes, Chairman Waller- Yes, Councilman Yates- Yes, Councilwoman Forman- Yes, Councilwoman Gray- Yes, Councilwoman Harlan- Yes, Councilman Redcorn-Yes, Councilman RedEagle- Yes. (8 yes, 0 no)

Motion by Councilwoman Gray to authorize Chair to send a letter to all 3 branches of the Osage Nation for proposed meeting dates, seconded by Councilwoman Harlan.

MOTION PASSED: Chairman Waller- Yes, Councilman Yates- Yes, Councilwoman Forman- Yes, Councilwoman Gray- Yes, Councilwoman Harlan- Yes, Councilman Redcorn-Yes, Councilman RedEagle- Yes, Councilman Revard- Yes. (8 yes, 0 no)

a. Scout Energy

Motion by Chairman Waller to allow Scout Energy to waive their 30-day appeal, seconded by Councilman RedEagle.

MOTION FAILED: Councilman Yates- No, Councilwoman Forman- Yes, Councilwoman Gray- No, Councilwoman Harlan- No, Councilman Redcorn-No, Councilman RedEagle- Yes, Councilman Revard- Yes, Chairman Waller- No. (3 yes, 5 no)

8. Meeting minutes

Motion by Councilwoman Harlan to approve the December 12 minutes for the lease sale, seconded by Councilman Redcorn.

MOTION PASSED: Councilwoman Forman- No, Councilwoman Gray- Yes, Councilwoman Harlan- Yes, Councilman Redcorn-Yes, Councilman RedEagle- Yes, Councilman Revard- Yes, Chairman Waller- Yes, Councilman Yates- Yes. (7 yes, 1 no)

Motion by Councilwoman Gray to make efforts to have resolutions written in the book before the meeting, seconded by Councilman Yates.

MOTION PASSED: Councilwoman Gray- Yes, Councilwoman Harlan- Yes, Councilman Redcorn-Yes, Councilman RedEagle- Yes, Councilman Revard- Yes, Chairman Waller- Yes, Councilman Yates- Yes, Councilwoman Forman- Yes. (8 yes, 0 no)

9. Adjournment

Motion by Councilwoman Harlan to adjourn, seconded by Councilman RedEagle.

MOTION PASSED: Councilwoman Harlan- Yes, Councilman Redcorn-Yes, Councilman RedEagle- Yes, Councilman Revard- Yes, Chairman Waller- Yes, Councilman Yates- Yes, Councilwoman Forman- Yes, Councilwoman Gray- Yes. (8 yes, 0 no)

Time: 12:51 PM

Approved by the 4th Osage Minerals Council on the 4th day of January, 2019.

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

Chairman

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

Administrative Assistant