

**OSAGE MINERALS COUNCIL
REGULAR MEETING MINUTES
MAY 15, 2019**

1. Call to order- Chairman Waller

Chairman Waller calls the meeting to order at 10:05 AM.

2. Opening Prayer and Reading of deceased Osages

Councilman Redeagle gave the opening prayer.

3. Roll Call

Amy Bledsoe 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: Martin Benson, Larry Brinlee, Nona Roach, Jann Hayman, robin Phillips. Dan Howard, Carrie Hall, Rhonda Wallace, Benny Mitchell, Chad parsons, Beverly Brownfield, and Teresa Rutherford.

Chairman Waller announces that payment for June will be \$4,700 per headright. Chairman Waller adds requests from the bi annual meeting to the end of the agenda under new business.

4. Superintendent Report

The Superintendent reports for the Branch of Field of Operations; 88 trucking permits prepared, 20 leases checked for production and primary term, 4 plugging witnessed, 83 lease inspections, 48 lease inspection follow up, 7 gas meter proving's, 2 damage appraisals, 17 tank strappings witnessed, 6 tank strappings witnessed, 140 landowner and lessee meetings, 11 complaints, 14 spills/leaks inspected, 43 spill inspection follow ups, 2 OERB assessments, 64 tanks gauged, 5 run tickets figured, 10 calculations. The branch of lease management reported: there were 4 approved leases and 7 pending, 69 assignments approved an 155 pending, 42 approved division orders, 19 approved lease terminations. For April there was 18,090 less 3,232 for SWD and other wells for 14, 858. The three leases that sold the most under 214 leases were APAC-\$22,685.64, Burbank Materials-\$9,949.60, Candy Creek Crusher-\$9,802.50. There were 2 non FOIA requests. The Branch of Subsurface Minerals reported: 1 emergency permit issued, and 4 plugging permits. 205 permits pending, 60 of those are new drilling permits. The 3 top oil producers were Perdure Petroleum, Performance petroleum, and JBD Oklahoma. The Branch of Enforcement and Lease Compliance reported: 38 noncompliance letters, 3 non production letters, 1 penalty letter, 4 extension letter, 4 final notice letters issued. Councilman Revard requests to know what zone the new wells were completed in.

Motion by Councilwoman Harlan to create a spreadsheet with information on the mineral estate, with items to be provided by Councilmembers to the staff by the end of next week, seconded by Councilman Redcorn.

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)

5. New Business

a. Duit Construction Exploratory digging- Martin Benson

Mr. Benson explains that he is working on a turnpike project in Tulsa. Mr. Benson is looking for permission to do exploratory digging to find correct borrow material.

Councilman Redcorn clarifies that he is looking for permission for the exploratory testing, and then later Mr. Benson would need to come back for a permit.

Motion by Councilman Redcorn to approve the testing of materials, the volumes sold will be presented later, seconded by Councilwoman Gray.

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)

b. LM Global Drilling- Lester Matthews

Motion by Councilwoman Harlan to table Lester Matthews to the next meeting, seconded by Councilwoman Gray.

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)

c. Information for Website- Mark Cooper

Motion by Councilman Redcorn to send to the budget committee, and to table Mark Cooper, seconded by Chairman Waller.

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

d. ODOT/ Universal Field Services- Chad Parsons

Motion by Councilwoman Harlan to accept ODOT's 1/6th royalty proposal for \$60,445.43 as payment from ODOT for compensation to plug wells on the Highway 11 roads project, seconded by Councilwoman Gray.

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- Absent. (8 yes, 0 no)

Enter break 11:16 am

Exit break: 11:30 am

e. Lease term extension to 3 years- Susan Forman

Councilwoman Forman explains the struggles that producers face in Osage regarding permitting and ABB.

Motion by Councilwoman Forman to approve extending the primary lease term from 2 years to 3 years, and making the lease effective on the day that the Superintendent approves the lease, seconded by Councilman Yates.

MOTION PASSED: Councilman Revard- Yes, Chairman Waller- Yes, Councilman Yates- Yes, Councilwoman Forman-Yes, Councilwoman Gray- Yes, Councilwoman Harlan- Abstain, Councilman Redcorn- Abstain, Councilman RedEagle- Yes. (6 yes, 0 no, 2 abstain)

Councilwoman Harlan states that Councilman Revard is in conflict with the ethics law on this vote. Councilman Revard states that the opinion clearly states that if it does not enrich him more than any other lessee it is not a conflict.

f. BBR wells- Myron RedEagle

Motion by Councilman RedEagle to accept BBR wells for production, seconded by Councilman Redcorn.

The Superintendent recommends that BBR would need to come back in and get a new lease.

MOTION FAILED: Chairman Waller- No, Councilman Yates-No, Councilwoman Forman- Yes, Councilwoman Gray- No, Councilwoman Harlan- No, Councilman Redcorn- Abstain, Councilman RedEagle- Yes, Councilman Revard- Abstain. (2 yes, 4 no, 2 abstain)

g. Osage Nation Procurement issues- Margo Gray

Councilwoman Gray states that her understanding is that the Council will order the specialized items, and standard stuff will go through procurement.

h. Other items

Motion by Councilwoman Harlan for the prioritization list to be sent to Mr. Dalton to beginning with the Personia Blackland township.

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

Motion by Councilwoman Harlan to create a task force to visit with producers to look at the permitting SOP, and get an idea of what is holding up the process and take recommendations to the bureau, seconded by Councilman Redcorn.

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)

Motion by Councilman Redcorn to do a purchase order for \$1,999 for Neil's Auto out of the Orphan Well grant, seconded by Councilwoman Harlan.

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 Councilman Redcorn to direct the attorney to draft an MOU for Calgary Oil's slick line, as well as a worker's bond, seconded by Councilwoman Harlan.

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)

Motion by Chairman Waller to request the Superintendent to file trespass charges on Enel, seconded by Councilwoman Harlan.

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

Jan Hayman with the Osage Nation, Department of Environmental and natural Resources introduces... Dr. Howard is a Biology professor for New Hampshire University, and has completed an abundant amount of work in and around Osage County.

Motion by Councilman Redcorn to go into executive, seconded by Councilman Redeagle.

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)

Time: 12:28 pm

6. EXECUTIVE

- a. Environmental and Natural Resources
- b. Pipestem update

7. Old Business

Motion by Councilwoman Harlan to come out of executive, 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)

Time 3:26 pm

a. Energy Net

Motion by Councilwoman Harlan to table Energy net to the June 19th meeting, seconded by Councilman RedEagle.

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)

b. IHS/Petra

Motion by Councilwoman Gray to send IHS/Petra to the budget committee, 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)

c. USFWS meeting

Motion by Councilwoman Harlan to approve travel for the USFWS meeting on May 22nd, seconded by Councilman Yates.

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

8. Meeting minutes

Motion by Councilwoman Harlan to approve May 3, 2019 meeting minutes, 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-Abstain. (7 yes, 0 no, 1 abstain)

Motion by Councilwoman Harlan to approve sending the Superintendent a letter advising that the Council has adopted natural gas standards, seconded by 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)

9. Adjournment

Motion by Councilwoman Gray to adjourn, seconded by Councilwoman Harlan.

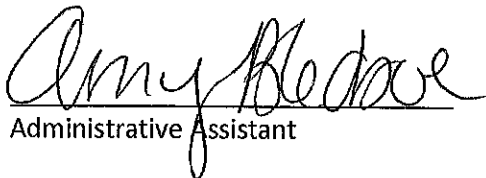
MOTION PASSED: Councilman Redcorn- Yes, Councilman RedEagle- Yes, Councilman Revard- Yes, Chairman Waller- Yes, Councilman Yates-Yes, Councilwoman Forman-Yes, Councilwoman Gray- Yes, Councilwoman Harlan- Yes. (8 yes, 0 no)

Time: 3:33 pm

Approved by the 4th Osage Minerals Council on the 7th day of June, 2019.



Chairman



Administrative Assistant