

MINUTES**May 7, 2021**

- I. Call to order** at 10:01 a.m. — Welcome by Chairman Waller
- II. Opening prayer** and remembering deceased Osages by Second Chairman Redeagle
- III. Roll call by Lacey Reynolds**

Councilwoman Forman, present via Zoom

Councilwoman Gray, present

Councilwoman Harlan, present

Councilman Redcorn, present

Second Chairman Redeagle, present

Councilman Revard, present via Zoom

Chairman Waller, present via Zoom

Declaration of quorum

Guests: Eli Potts, Amy Easley, Roy Fletcher, Abi Fain, Wilson Pipestem, David Bird, Congressman Bighorse, Joe Tillman

VI. New business

A. Resolution No. 4-74: OMC approved expansion of the Whizbang Water flood to include NE/4 Sec. 24-T21N-R8E, NW/4 Sec. 19-T21N-R9E, SW/4 Sec. 19-T21N-R9E, and SE/4 Sec. 24-T21N-R8E; PE-Osage, LLC will pay a lease bonus for the new two-year, oil-only lease of SE/4 Sec. 24-T21N-R8E in the amount of \$3,600; no additional amendments will be made to the original water flood lease, other than expanding it from 320 acres to 960 acres.

Motion by **Councilman Redcorn** Second by **Second Chairman Redeagle**

Discussion: **Roy Fletcher**, PE-Osage, LLC has several active leases. The Whizbang Lease started approximately 18 months ago. Production has increased since starting, and they think it will double with time because of the increase in injection capacity. **Chairman Waller** wanted assurance when production increases payments increased by 20%. **Councilman Revard** inquired whether any existing well boars were on the tracts, who previous lessees were, and why the leases ended. **Mr. Fletcher** said there were approximately seven well boars and identified the locations. He provided a history of the property and previous lessees. **Councilman Revard** wants to wait on approving lease expansion until speaking to the superintendent about the history of the previous leases, whether they were canceled or terminated, bond information on the wells, and to verify what Mr. Fletcher said. **Councilwoman Forman** agreed with Councilman Revard that more information was needed because of the abandoned wells on the property, put on hold until further discussion with the BIA, and does not support the motion. **Councilman Revard** the Superintendent usually sees the agenda and provides the property's lease information. Suggested OMC staff request lease information from BIA for new lease requests, so Council is aware of leasing history. He is in favor, if the property is available. **Councilman Redcorn** BIA will not approve a lease, if there are issues. This is great opportunity for shareholders since COVID and winning the lawsuit for royalty rate of 1/8. There hasn't been much activity because of COVID and BIA regulations. **Chairman Waller** is confident the BIA will do their due diligence on leases. Asked Mr. Fletcher if he is going to reactivate the well boars. **Mr. Fletcher** said yes. He also added that new property buyers—surface owners—in Osage County are unaware of the legalities of ownership regarding Osage Minerals and wanted to bring it to OMC's attention. **Chairman Waller** appreciated the information and asked to continue to be informed, locations of such actions, and to call OMC when this occurs.

Councilwoman Forman_y_____

Councilwoman Gray_y_____

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Councilwoman Harlan y Councilman Redcorn y
2nd Chairman Redeagle y Councilman Revard y
Chairman Waller y
Motion passes: yes 7, no 0, abstain 0

B. Camera view during OMC meetings—Councilwoman Forman would like to see who is present for OMC meetings, i.e. who's in the council chambers; instead, she only sees OMC logo on Zoom. She would like the camera on inside the meeting room, and see who is in the meetings. Lacey Reynolds explained the camera placement was set up by IT and moving the camera view would have to be adjusted by Osage Nation IT. If the camera was turned on, only OMC staff would be seen, not OMC.

RESCINDED: Motion to have the camera on in the council meeting room, i.e. council chambers, during OMC meetings.

Motion by **Councilwoman Forman** Second by **Councilman Revard**

C. TABLED: NAPE for a future agenda, until the DEMD is approved.
Motion by **Councilwoman Forman** Second by **Councilman Revard**

Councilwoman Gray y Councilwoman Harlan y
Councilman Redcorn y 2nd Chairman Redeagle y
Councilman Revard y Chairman Waller y
Councilwoman Forman y
Motion passes: yes 7, no 0, abstain 0

D. RESCINDED: Osage Minerals Council authorizes Tim Dowd, Oil & Gas Attorney, to create an addendum to lease form to efficiently update the terms and conditions appropriate for the protection, development, and administration of the Osage Mineral Estate. The Chairperson of the Osage Minerals Council is hereby authorized to sign this resolution.

Motion by **Councilwoman Forman** Second by **Chairman Waller**

Discussion: Councilman Revard agrees the form is antiquated and needs updated. He doesn't think leases can have an addendum and wants to ensure no conflict with the CFR. Needs attorney review and asked for Councilwoman Harlan's, judge/attorney expertise on the matter. **Chairman Waller** BIA updates leases. He referred to Councilwoman Harlan, likewise. **Councilwoman Harlan** Councilman Revard is correct. BIA makes changes through their attorney. OMC has to tell the BIA the changes OMC wants. BIA's attorney changes leases. After changes, OMC and OMC's attorney review to ensure it is acceptable. She suggested either rescinding the motion or changing the motion to recommend the changes OMC wants on leases. **Councilwoman Forman** liked the points fellow Council members made. She rescinded the motion and added a motion to have same discussion on the next meeting agenda to confer with BIA about adding the addendum to oil and gas leases.

Resolution: Table the issue regarding adding an addendum to the Osage Minerals Council Lease Form until the next OMC meeting and have discussion including the BIA.

Councilwoman Forman y Councilwoman Gray y
Councilwoman Harlan n Councilman Redcorn n
2nd Chairman Redeagle y Councilman Revard y
Chairman Waller y
Motion passes: yes 5, no 2, abstain 0

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VII. Enter executive session

Motion by **Councilman Redcorn** Second by **Councilwoman Harlan**
2nd Chairman Redeagle y Councilman Revard y
Chairman Waller y Councilwoman Forman y
Councilwoman Gray y Councilwoman Harlan y
Councilman Redcorn y
Motion passes: yes 7, no 0, abstain 0

Executive session started at 10:38 a.m.

VIII. Resume meeting after executive session

Motion by **Councilwoman Harlan** Second by **Councilwoman Gray**
Councilman Revard y Chairman Waller y
Councilwoman Forman y Councilwoman Gray y
Councilwoman Harlan y Councilman Redcorn y
2nd Chairman Redeagle y
Motion passes: yes 7, no 0, abstain 0

Meeting resumed at 11:59 a.m.

IX. Old business

A. Resolution: The Production and Development Committee (P&DC) recommends the Osage Minerals Council secure acreage in order to operate and produce Orphan Wells in the Avant Pool (AP) located in parts of Townships 22, 23, 24 and 25 North, Ranges 10, 11 and 12 East. The P&DC is asking to set aside and not lease the abandoned leases not HBP at this time. The plan is to create an Osage Shareholder business entity that generates revenue to pay expenses, royalties to Osage Shareholders and also pay for orphan well plugging and cleanup.

Motion by **Second Chairman Redeagle** Second by **Councilman Redcorn**

Discussion: **Second Chairman Redeagle** gave a brief history of the Osage Nation receiving their allotment from Cherokee Nation; most of the land was not good for farm land. He also spoke about the history of AP; the P&DC thought it was a good place to start. It's an old pool, drilled in the early 1900s. **Chairman Waller** is supportive and would also like to see more future expansion. **Councilman Revard** is a member of the P&DC and doesn't know details about AP because it wasn't discussed and thought discussion was going to continue. He knows there are other parties interested in AP. Subject should be in Executive Session. It's premature to vote. Hasn't read the proposal—and thinks the rest of OMC hasn't read it either. He is in favor of producing and is familiar with Mr. Dowd's opinion. Prior to producing, he wants a review of AP from Mr. Dowd. **Councilwoman Forman** agrees with Councilman Revard. This is not a recommendation of the P&DC. Proposal provided to OMC late the prior evening; she hasn't read it yet, as well. She is supportive of drilling, and the Nation creating its own oil and gas company. However, now is premature; issue should be tabled until more information is available, and she won't be support the motion today. **Councilman Redcorn** introduced David Bird, Well Plugging Committee (WPC) Contract Field Inspector, member of the Pawhuska District, and longtime WPC contractor, to provide more information about AP. He said there are a lot of Osages employed in plugging and is happy about that. In P&DC meetings, they discussed moving forward with AP. Mr. Bird says production possibilities at AP are good. It is time to proceed. AP is a highly active area. Pairing WPC employees with KU EOR Enhancement Recovery experts will get higher production rates. The proposal is a summary of what has been done [for the past

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two to three months]. He wants to send it to the Business Development Committee and move forward. **Councilman Revard** doesn't know anything about AP; doesn't know names of any wells. He knows the vicinity where it produces. It sounds like a great opportunity and is interested in pursuing. However, it is premature because he recalls no specific discussions about AP, only general discussion about possibilities of producing there. **David Bird** is a "fourth generation oil man." Drilling and production at AP would be a great place to start because it has a great production history. He is excited about it and welcomes any member of OMC to come to the location—it's full, not developed; it's time to drill. AP either needs to be drilled or plugged. Its infrastructure is done and can be built on. If it's not drilled, it will be added to the plugging list. If drilling doesn't start, the plugging list will keep growing; it's already over 2,000. In the field, he constantly sees wells that aren't on the watch list and should be. The price of crude oil is going up, it's a good time to start drilling, and is a great opportunity to shareholders. **Councilwoman Forman** will be voting no because she needs time to read the proposal. OMC drilling also removes significant amounts of leasing acreage. OMC doesn't have the money to start business, pay for pumpers, or operations. She's excited to do something like this but can't vote today. It's too soon. She asked to table until further discussion. **Councilwoman Gray** thanked Mr. Bird for the information. She is ready to present AP to the Business Development Committee so they can create a business plan, see if it's viable, what the return on the investment will be. She encouraged OMC to vote yes. **Councilman Redcorn** orphan well grant was three years ago, and it's still going strong. He would like to see AP in a TERA and asked Mr. Pipestem to review. **Chairman Waller** asked everyone to look at the options, with DEMD in mind, and requested the information be provided to Mr. Pipestem.

Chairman Waller	_____y_____	Councilwoman Forman	_____n_____
Councilwoman Gray	_____y_____	Councilwoman Harlan	_____y_____
Councilman Redcorn	_____y_____	2 nd Chairman Redeagle	_____y_____
Councilman Revard	_____n_____		

Motion passes: yes 5, no 2, abstain 0

X. Committee reports—Chairman Waller: Prior to asking for committee reports, asked the attorneys to remove themselves from the meeting.

Well Plugging Committee—Councilman Revard: Stated he was unprepared to report at this time but said the committee continues to successfully move forward with well plugging efforts.

Production & Development Committee—Councilman Redcorn: Thanked Mr. Bird for coming, and the information was provided previously regarding AP served as his report.

Budget & Finance Committee—Councilwoman Gray: Discussed updates in Executive Session. Chairman Waller said Lacey Reynolds would follow up with decisions from Executive Session.

XII. Approval of minutes from OMC's April 21, 2021 meeting

Motion by Councilwoman Harlan	Second by Councilman Redcorn		
Councilwoman Forman	_____n_____	Councilwoman Harlan	_____y_____
Councilman Redcorn	_____y_____	2 nd Chairman Redeagle	_____y_____
Councilman Revard	_____n_____	Chairman Waller	_____y_____
Councilwoman Gray	_____y_____		

Motion passes: yes 5, no 2, abstain _____

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XI. Motion to move Wednesday, May 19, 2021 Regular OMC Meeting to Thursday, May 20, 2021Motion by **2nd Chairman Redeagle** Second by **Councilman Redcorn**

Discussion: **Councilwoman Forman** inquired about the date change. **Chairman Waller** said some Council members were unavailable on May 19 and a quorum would not be possible. **Councilwoman Harlan** said she is not available but is in favor, so there can be a quorum. **Councilwoman Forman** added that she, too, is unavailable on May 20.

Councilwoman Forman n Councilwoman Gray y Councilwoman Harlan y Councilman Redcorn y 2nd Chairman Redeagle y Councilman Revard a Chairman Waller y **Motion passes:** yes 5 , no 1 , abstain 1 **XII. Motion to adjourn**Motion by **Councilwoman Harlan** Second by **Councilwoman Gray**

Discussion: Second Chairman Redeagle requested prayers for his brother, who had a heart attack the night before and asked to keep him in prayer for a full recovery. Chairman Waller offered a prayer for Mr. Redeagle.

Councilwoman Harlan y Councilman Redcorn y 2nd Chairman Redeagle y Councilman Revard y Chairman Waller y Councilwoman Forman y Councilwoman Gray y **Motion passes:** yes 7 , no 0 , abstain 0

Meeting adjourned at 12:36 p.m.

Approved by the Fourth Osage Minerals
Council on the 20th day of May, 2021.



Everett Waller, Chairman



Executive Administrative Assistant