

- I. Call to order at 10:00 a.m. by Chairman Waller
- II. Opening prayer and reading of deceased Osages by Second Chairman Red Eagle

III. Roll call

Councilmember Forman – present, via Zoom

Councilmember Gray – present, via Zoom

Councilmember Harlan – present, via Zoom

Councilmember Redcorn – present

Second Chairman Red Eagle – present

Councilmember Revard – present, via Zoom

Chairman Waller – present, via Zoom

Declaration of Quorum

Guest: Candy Thomas, Robin Phillips, Pam Jester, Michael Hiner, Sid Anderson, Charles Wickstrom

Discussion: Chairman Waller asked to add Sid Anderson with Iron Hawk Energy to Executive Session. Councilmember Forman also requested Executive Session for a private issue to assign to OMC's attorney. Councilmember Redcorn pointed out the Open Meetings Act and whether the agenda could be changed without 48 hours' notice and possibly needing clarity from the AG's office. Chairman Waller responded the agenda says, "subject to change."

IV. **Superintendent's Report**—Robin Phillips, Superintendent, and Pam Jester, Supervisory Accountant provided the report and answered Council inquiries.

Producing Wells: 14,852 less 3,230 for SWD Wells; Approved Permits: 7 Workover Permits, 0 Plugging Permits, 0 Emergency Plugging Permits, 0 Emergency Workover Permits, 0 Drilling Permits. Two new drilling completions reported: 1) Larry Chinn / 8A / Oil / NW 36-27-11 / 8 BOPD x 180 BWPD and 2) Raydon Exploration Inc. / 1-6 / Dryhole / SE 06-27-06 / P&A.

Discussion: Ms. Jester reported the collections information and repository system had been updated but caused a delay in payment information to TAAMS. Therefore, the information on the report is incorrect. The system was fixed at the end of November. Large payments, i.e. Coffeyville, were not processed until December, but the payment won't go until March. Councilmember Redcorn said the royalty payment was correct after he refigured the numbers. U.S. Congress passed the requirement for the Gross Production, and it would be difficult to change. Councilmember Forman again asked for the prior period adjustments on a separate line item because it's "typical accounting procedure". Superintendent Phillips responded to Ms. Forman saying the latest reports do have the separate line item. However, since Osage Agency is understaffed, it would be difficult to redo past reports. Speaking to Ms. Jester, she asked her to answer their inquiries, adding that Ms. Jester sent a document to OMC about payments and dates. Lacey Reynolds stated the information, i.e. prior period adjustments, is included in her audit reports. Ms. Jester said she's working on what's owed and getting letters sent. Councilmember Revard asked whether Keystone is current. Ms. Jester answered that there is no documentation showing a payment from Keystone.

V. **New Business**

- a. **Resolution:** Lease NE/4 Sec, 12 T27N-R6E to Iron Hawk Energy for a three-year period, with terms and conditions in their proposal, 3/16 royalty from the day of first production payout, and bonus of \$3,400 for gas lease increasing to 20% royalty, once payout is achieved

Motion by **Councilmember Forman**Second by **Second Chairman Red Eagle**Motion **PASSED** YES: 5

NO: 1

ABSTAIN: 1

ABSENT: 0

Councilmember Forman—y

Councilmember Gray—abstain

Councilmember Harlan—n

Councilmember Redcorn—y

Second Chairman Red Eagle—y

Councilmember Revard—y

Chairman Waller—y

Discussion: **Michael Hiner** sent his proposal to OMC to lease WahZhaZhe well in Township 27 and process helium—all options are in the proposal. He wanted to discuss possibilities in Executive Session because of the financial terms in the proposal. Iron Hawk is the operator, and he will be their consultant in the proposal. **Councilmember Redcorn** appreciates the work and wants it to move forward. He's glad the well was not plugged, and he's in favor of the project. **Councilmember Forman** think this is great news, because this site is one of the best discoveries ever made in Osage County. The lease appeal was successful, and it wasn't plugged. She's ready to make a motion and move forward according to Mr. Hiner's proposal. **Michael Hiner** added the timeline in the proposal shows what to expect in the first year—data collection, geotechnical and engineering analyses, etc. **Councilmember Gray** said she was not comfortable speaking about the proposal until Executive. She wants to make sure OMC isn't giving away opportunities and has more questions for Executive. **Councilmembers Redcorn and Forman** retorted the topic has been discussed several times and doesn't need to be in Executive. **Councilmember Redcorn** added OMC has heard all of the proposal and carefully analyzed. If Council isn't in favor, vote no. **Councilmember Revard** affirmed if the tract is offered for lease, lease it. It's what OMC does. The lease should be negotiated in open session. Shareholders should be aware of all the work OMC does on their behalves. He agreed the subject didn't need to be in Executive, and the decision was up to OMC whether to move forward and lease. **Councilmember Gray** then asked Mr. Hiner, Mr. Wickstrom, and Mr. Anderson if they were aware or members of Harold Hand's group who just signed a letter challenging tribal sovereignty that was sent to Governor Stitt. **Charles Wickstrom** said that was "news to me...I have no control over what Mr. Hand signs." **Sid Anderson** said Iron Hawk has not been a member of Mr. Hand's group for about a year, and they are not anti-tribal sovereignty." **Councilmember Gray** said it was her duty to shareholders to ask tough questions like that because they have a right to answers. **Chairman Waller** said the proposal will have to a higher royalty at a later time. **Councilmember Forman** amended the resolution adding bonus, royalty, and proposal terms and conditions instead of 3/16 royalty and three-year term.

VI. Motion: Enter Executive Session**Time: 10:44 a.m.**Motion by **Councilmember Redcorn**Second by **Second Chairman Red Eagle**Motion **PASSED** YES: 7

NO: 0

ABSTAIN: 0

ABSENT: 0

Councilmember Gray—y

Councilmember Harlan—y

Councilmember Redcorn—y

Second Chairman Red Eagle—y

Councilmember Revard—y

Chairman Waller—y

Councilmember Forman—y

VII. Motion: Exit Executive Session**Time: 11:53 a.m.**Motion by **Councilmember Redcorn**Second by **Councilmember Harlan**Motion **PASSED** YES: 7

NO: 0

ABSTAIN: 0

ABSENT: 0

Councilmember Harlan—y

Second Chairman Red Eagle—y

Chairman Waller—y

Councilmember Gray—y

Councilmember Redcorn—y

Councilmember Revard—y

Councilmember Forman—y

VIII. Motions from Executive Session

- a. Resolution:** Any persons or organizations that receive the MI3 report of findings for enhanced oil recovery must first sign an NDA

Motion by **Councilmember Redcorn**Second by **Second Chairman Red Eagle**Motion **PASSED** YES: 7 NO: 0 ABSTAIN: 0 ABSENT: 0

Councilmember Redcorn—y

Second Chairman Red Eagle—y

Councilmember Revard—y

Chairman Waller—y

Councilmember Forman—y

Councilmember Gray—y

Councilmember Harlan—y

- b.** Chairman Waller to send a letter inviting DEMD personnel to travel to Osage County for the purpose of conducting due diligence as assigned by the Minerals Council

Motion by **Councilmember Forman**Second by **Chairman Waller**Motion **PASSED** YES: 7 NO: 0 ABSTAIN: 0 ABSENT: 0

Second Chairman Red Eagle—y

Councilmember Revard—y

Chairman Waller—y

Councilmember Forman—y

Councilmember Gray—y

Councilmember Harlan—y

Councilmember Redcorn—y

- c. Resolution:** A transmittal letter with the Gas Measurement Rules attached shall be sent to the three governing branches of the Osage Nation, the Bureau of Indian Affairs, and all Osage County Operators; and, furthermore, it is agreed that a public meeting to introduce and explain the Rules should be planned and carried out when it is safe to do so.

Motion by **Councilmember Forman**Second by **Second Chairman Red Eagle**Motion **PASSED** YES: 6 NO: 0 ABSTAIN: 1 ABSENT: 0

Councilmember Revard—abstain

Chairman Waller—y

Councilmember Forman—y

Councilmember Gray—y

Councilmember Harlan—y

Councilmember Redcorn—y

Second Chairman Red Eagle—y

- d.** Follow HR policies and procedures with regard to annual merit bonuses and annual increases required by Osage Nation HR, as applied to OMC staff

Motion by **Councilmember Harlan**Second by **Councilmember Gray**Motion **PASSED** YES: 6 NO: 0

ABSTAIN: 1 ABSENT: 0

Chairman Waller – y

Councilmember Forman – y

Councilmember Gray – y

Councilmember Harlan – y

Councilmember Redcorn – y

Second Chairman Red Eagle – y

Councilmember Revard – abstain

IX. Motion: Approve minutesMotion by **Councilmember Redcorn**Second by **Second Chairman Red Eagle**Motion **PASSED** YES: 6 NO: 0

ABSTAIN: 1 ABSENT: 0

Councilmember Forman – abstain

Councilmember Gray – y

Councilmember Harlan – y

Councilmember Redcorn – y

Second Chairman Red Eagle – y

Councilmember Revard – y

Chairman Waller – y

Discussion: Councilmember Redcorn said the quality and information in the minutes is improving. Chairman Waller said staff tries their best.

X. Motion: Adjournment**Time:** 12:01 p.m.Motion by **Second Chairman Red Eagle**Second by **Councilmember Harlan**Motion **PASSED** YES: 7 NO: 0

ABSTAIN: 0 ABSENT: 0

Councilmember Gray – y

Councilmember Harlan – y

Councilmember Redcorn – y

Second Chairman Red Eagle – y

Councilmember Revard – y

Chairman Waller – y

Councilmember Forman – y

Discussion: Chairman Waller said to remember the families in mourning. Councilmember Forman said, "Merry Christmas to all."

Approved by the Fourth Osage Minerals Council on January 7, 2022.


Everett Waller, Chairman
Executive Administrative Assistant