



FOURTH QUARTER | 2021

OSAGE MINERALS COUNCIL NEWSLETTER

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CHAIRMAN'S REPORT

by *Everett Waller*

Dear Osage Shareholders,

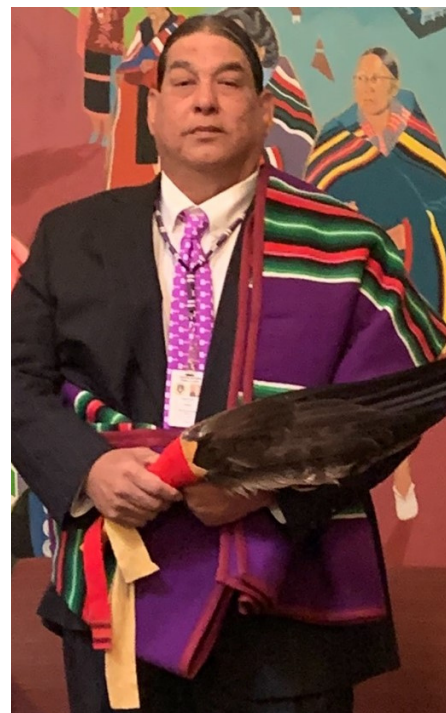
We are pleased to be sending you another newsletter. We hope you enjoyed the previous one. Your Minerals Council is working to keep you, the shareholders, up to date on what we are doing.

Although we planned to open our meetings on July 21, we decided it was too risky, given the rise in Covid-19 and its variants in Osage County. Once again, due to the pandemic, Chief Standing Bear issued a mask mandate for the Nation. Holding with the Nation's standard and striving to keep everyone as safe as possible, we continue to wear masks, social distance, and hold meetings through Zoom. As always, Osage Nation's web team posts our meetings on the website and on YouTube, shortly after the meeting.

On August 9, we were pleased to finally have a Lease Sale. It was the first sale since 2018 and the 25th Oil and Gas Lease Sale held by the BIA Superintendent of the Osage Agency, approved by the Osage Minerals Council. 40 tracts comprising 6,400 acres and one tract comprising 160 acres for oil and gas mining purposes were offered for sale.

1,760 acres sold for oil and gas combination mining purposes for a total bonus consideration of \$51,900, averaging \$29.49 per acre. And, 160 acres sold for oil mining purposes for a total bonus consideration of \$3,600, averaging \$22.50 per acre. The total bonus consideration was \$55,500. Directly following the sale, we held a special meeting to discuss the results of the sale. The sale was approved by a unanimous resolution of the Osage Minerals Council.

Using funds secured from federal government, the OMC Well Plugging program was formed and continues their work. The Well Plugging program has plugged 41 emergency wells and secured 29 wells with value. An Osage team of experienced oil and gas professionals and contractors continue the work following federal and Osage Nation regulations, laws, and guidelines. The OMC continues to seek additional federal funding to administer as stewards of our Reservation.



OMC Chairman Everett Waller

COUNCIL PURCHASES RAINBOW YARD

On Tuesday, October 19, 2021, Osage Minerals Council signed the deed acquiring the Rainbow Yard from Tediue Witcraft. At left are Second Chairman Myron Red Eagle, Chairman Everett Waller, Chief Geoffrey Standing Bear, and property seller, Tedi Witcraft, widow of Osage citizen Chauncey Witcraft.



Osage Minerals Council 2022 Meeting Schedule

January	7 & 19
February	4 & 16
March	4 & 16
April	1 & 20
May	6 & 18
June	3 & 15
July	1 & 20
August	5 & 17
September	2 & 21
October	7 & 19
November	4 & 16
December	2 & 21

BARREL BOTTOM LINE

by Lacey Reynolds

Payment for the third quarter (September, 2021) was **\$4,830 per headright**

Computation: Total Revenue \$11,317,385.83 for the second quarter production and collections. (\$11,317,385.83 divided by 2,228.97393 headrights equals to \$4,830 rounded back to the nearest \$5.00)

Major Details of the \$11,317,383.83:

Oil & Tank Bottoms Production: 1,007,988 gross barrels or 149,962 royalty barrels

Oil Revenue: \$11,467,842

Average price per barrel of oil: \$66.44

Gas Production: 1,150,019 gross M.C.F. or 201,397 royalty M.C.F. and 99,416 gallons

Revenue for M.C.F.: \$325,608.93

Revenue for gallons (liquids): \$18,606.88

Gas Revenue: \$344,215.81

Sand and Gravel Royalty: \$196,980.06

Oil and Gas Rental Collected: \$32,663.80

Oil and Gas Bonus Collected: \$27,900

Water Use Royalty: \$35,187.25

Gross Production Tax Paid to the State of Oklahoma: \$551,143.16

C-395 Budget Drawdown (miscellaneous disbursements): \$250,000



COUNCILWOMAN MARGO GRAY

Ha.we Osage Shareholders:

I would like to share with updates from the past 6 months of items of interest. In the past year we have seen a new administration and an increase in the price of oil from (WTI) Oct 2020 at \$41.70 to Oct 22 to \$83.63 price per barrel. We know futures are estimated to the end of the year to be around \$90.00. While this increase is incremental in nature it is important for the OMC to seize the opportunity of reaching for the low hanging fruit, as well as looking at the bigger picture for the Shareholders. Below are some important items we are working on.



Councilwoman Margo Gray

National-Level Support from Tribal Nations for Minerals Council Initiatives

The National Congress of American Indians, the oldest and largest inter-tribal organization in the United States, with a long history of Osage leader involvement, passed a resolution of interest to the Osage Minerals Council at the 2021 Virtual Convention “The Endangered Species Act and Tribal Management of Delisted Species on Indian Reservations and Treaty Territories” (SAC-21-02) this calls on the Department of the Interior, and U.S Congress and specifically to give the Tribes and not the States to determination of how delisted species are to be addressed within the tribal jurisdiction. We will be tracking the progress on how this will impact the ABB issue at Osage.

DEMD updates NIOGEMS and Hydrogen Study

The OMC and DEMD coordinated the installation of NIOGEMS software, it's completed, and our training will take place next month. Why is it important for the Osage Minerals Council to have NIOGEMS (National Indian Oil & Gas Energy and Minerals Systems)? We have been heavily dependent of the BIA for information and with the installation on our computers and upcoming training the OMC and our staff will have access to GIS mapping-based computer program for maintaining oil and gas leases, production, and oil and gas well data. This software will be a game changer for the OMC and Osage Nation with the goal towards self-governance and we will be able to make decisions based of reliable data.

The OMC requested a Hydrogen Feasibility and Market Study for Osage Minerals Estate. With the Nation moving towards new energy, it was important for us to explore the potential of producing hydrogen in the future. As the study is not yet completed and we may need additional consultants to determine the market for Osage. I will keep you all updated on this study in the future.

Exploring the Feasibility of Osage Tribal Energy Resource Agreement Update

Update on the TERA the OMC has conducted four Osage Shareholder presentation meetings this year and are preparing a one more for the Osage oil and gas producers for input and how this will impact their business on the Osage. With this final step will have covered all interested parties before we

See Gray, page 11



Councilman Talee Redcorn

COUNCILMAN TALEE REDCORN

Good Day Osage Headright Holders!

As your representative on the Osage Minerals Council I wish to convey what has been going on regarding your asset and your Osage headright. [This is my one-of-eight commentary and not necessarily the feelings of all Minerals Council members.]

First, the Highest Posted Price was of \$72 per barrel for the Sept 28, 2021, which should increase the value of your 4th Osage Minerals Council Member headright. Increasing the barrels-per-day of oil production drives up your headright amount also. Other extraction activities like rock and sandy soils sales, gas sales, and other minerals sales increase the value of your headright, but the main drivers are oil price and daily oil production. Therefore I continue to look for ways to increase barrels-per-day of oil production to improve your return.

To increase barrels-per-day of oil production I sponsored the Orphan Well Project. The OMC completed a year long review and determined that 5% of the 1602 orphan wells still had value, the rest of the 90 to 95% were identified to be plugged. With funding from the Osage Nation Congress the OMC will launch a "cost oil" project where we will produce an orphan well location with 14 wells, pay royalties to headright owners first and then any other moneys gained will be used to operate and plug wells and clean up abandoned well sites. We identified the St. John Skinner sand unit to start up this project which is located in the central Osage Reservation. The St John Skinner sand unit still retained the equipment which will drastically reduce start up costs. The rest of the 1602 wells will be targeted to be plugged through the OMC's well plugging program. To date, we have plugged 43 wells and identified 13 wells for possible production.

To increase barrels-per-day of oil production I sponsored the Enhanced Oil Recovery Project. We contracted a prestigious petroleum engineering firm to review several legacy fields and consider those for enhanced oil recovery or tertiary oil projection. A sizable oil recovery was deemed "possible". This could be the next economic boom for the Osage (following primary production in the 1920s and waterflooding in the 1940s and 50s.) Currently we will continue investigating this opportunity through funding from the Osage Nation Congress.

See Redcorn, page 11





Councilwoman Susan Forman

COUNCILWOMAN SUSAN FORMAN

October 18, 2021

The Osage Minerals Council (OMC) has approved a set of Natural Gas Measurement Rules (Rules). It has been known for some time that 10 to 30% of the natural gas produced is lost to poor measurement. The Rules have been vetted by a natural gas consultant and the OMC Oil & Gas attorney. Additionally, based on 35 years of Natural Gas Industry experience, I have included a few remedies for adjustments should errors be discovered

and included language for testing to determine the liquid hydrocarbon content of our gas streams. These liquid hydrocarbons are valuable products such as propane, butane, and gasoline which can be extracted and sold bringing higher value for natural gas. At this writing, the Council has invited the ON Attorney General, Clint Patterson, to our October 20 meeting to discuss codifying these Rules and other oil and gas rules into ON Law. This will allow us to enforce Mineral Estate rules for the Mineral Estate's oversight and prudent development. Our next project is designing a skid mounted check meter with proper valves and fittings to conduct internal meter facilities inspections. The internal meter tube can fill with liquids and debris causing the greatest measurement errors. By detecting and correcting these problems we can greatly improve the accuracy of our gas measurement.

The Data Enhancement Grant is under full implementation and Council Member Paul Revard and I are working with the OMC Data System Consultant to identify the well data, sources for well data, and update frequency. This current Data Enhancement Grant was acquired for the purpose of sorting, organizing and formatting the well records for our oil & gas investor public. The essential first step to developing our mineral estate is access to good well records. With access to reliable historical well data, oil & gas investors can determine remaining reserves and where to drill. The Council through a previous grant has identified multiple opportunities to exploit an additional 90+ million barrels through enhanced oil recovery using the latest technology while providing opportunities to reduce our carbon footprint. It is imperative that we provide as much data as possible to encourage future development. Unfortunately, since 2014 the BIA has locked up our records due to law-

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FORMAN

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suits. The Council has arranged to get “redacted” records after some serious and sometimes contentious discussions with the BIA and the Interior. We continue to get well records on a township by township basis. In the meantime we have thousands of monthly hits on our OsageMinerals.org system and hope to continue to provide useful and productive information for continued interest and investment in our Mineral Estate.

This is just a snapshot of the many and pending projects for our multi-billion dollar mineral estate. As always, should you have questions or just want to catch up on Mineral Estate operations don't hesitate to reach out to me at susan.forman@osagenation-nsn.gov.



AAPG

Top, Chief Geoffrey Standing Bear speaks at the opening of the AAPG Conference.

Above left, Chairman Everett Waller and Councilwoman Susan Forman work the OMC booth at AAPG. Above right, Councilwoman Margo Gray along with Chairman Waller present AAPG speakers with a copy of the book, Killers of the Flower Moon on behalf of OMC. Right, Councilman Paul Revard and Geologist Bill Lynn at the OMC booth. The conference was held in Tulsa and sponsored, in part, by the Osage Minerals Council. All staff attended to share about the Minerals Estate.



COUNCILMAN PAUL REVARD

The Osage Minerals Council was the Centennial Sponsor of the American Association of Petroleum Geologists (AAPG) Conference held on October 3-5th, 2021 at the Hyatt Regency Downtown in Tulsa, Oklahoma. The Tulsa Geological Society hosts this event every six years. Chief Standing Bear was the opening ceremonies speaker along with Chairman Waller. Osage singers and drummers performed two songs and Council Member Talee Redcorn sang The Lord's Prayer while our Osage Princess, Gigi Sieke and the



Councilman Paul Revard

Quapaw Pow-wow Princess, Emma McKibben-Pipestem performed the Lord's Prayer in Native American sign language. The conference was a great success in showcasing our Mineral Estate to more than 380 attendees and potential investors. The theme of the Conference was "The Energy Evolution, Learning From The Past – Powering The Future". Many short courses and presentations regarding this theme were offered. Council Members Susan Forman, Talee Redcorn, Myron Red Eagle, and Paul Revard attended the Fundamentals of Carbon Capture, Utilization, and Storage course. The Minerals Council had a booth with handouts prepared by the Division of Energy and Minerals Management. A QR code was also created with updated information for visitors to scan for convenient access to the material. Mark Cooper, the OMC Data Systems consultant gave a presentation about building OsageMinerals.org and how to navigate the well and infrastructure data. An OMC breakout session titled Multiple & Diverse Opportunities Throughout the Osage Mineral Estate was also provided and two of our present operators gave excellent presentations of their current projects in Osage County, OK. Mr. Randy Lawson, President of Lawco Energy discussed their recent development activities in the northwestern portion of Osage County and Tracy Evans, President & CEO of Perdure Petroleum presented a brief history of the North Burbank Unit which they operate and an update as to the status of their continued development. Shane Matson, Geoscientist with Jericho Energy Ventures, discussed the Helium potential of the Cherokee Platform.

Paul S. Revard

Osage Minerals Council Member

FALL 2021 WAH-TIAH-KAH SCHOLARSHIP AWARDED

UPDATE FROM MYRON REDEAGLE, SECOND CHAIRMAN



Second Chairman Myron Red Eagle

The Osage Minerals Council announced the latest Wah-Tiah-Kah Scholarship recipients. Three Osage students received financial assistance from the Osage Minerals Council for the 2021 fall semester. Allison Koopman, Blake Bledsoe, Kit Bird, and Elizabeth Weyl were selected.

Allison Koopman is interested in fracking and majoring in chemistry at Rider University in Lawrence Township, NJ. Blake Bledsoe attends Northern Oklahoma College in Tonkawa and is pursuing an environmental degree at Haskell Indian Nations University in Lawrence, KS. Elizabeth Weyl, a geological engineering major, is going to the School of Mines in Golden, CO.

The purpose of the scholarship is to provide higher education assistance in a petroleum-related field of study.

Congratulations to our 2021 Fall scholarship recipients!

The deadline to apply for the spring semester is December 30 at 4:30 p.m. For more information, contact Osage Minerals Council staff at minerals@osagenation-nsn.gov. or call 918.287.5346.

2021 OSAGE NATION HOLIDAY CLOSINGS

November 11 & 12 *Veterans Day*

November 25 - 26 *Thanksgiving Holiday*

December 23 - 24 *Christmas Holiday*

December 31 *New Year's Eve Holiday*

January 1 *New Year's Day*



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I look forward to using our sovereign rights as Osages (through treaty and congressional acts) to increase production, mineral extraction, and the value of your Osage headright.

We-wi-na (I thank you),

Talee Redcorn

GRAY

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before we bring the TERA resolution for a full council vote. Just to review what a TERA is, it establishes procedures for a Tribal Nation and the BIA to enter into an agreement on leasing and management of minerals mining leases, business agreements, and rights-of-way, without BIA approval of each action. The new TERA law is modeled after the Helping Expedite and Advance Responsible Tribal Home Ownership Act (the HEARTH Act), which the OsageNation has already implemented through the Osage “Trust Lands Leasing Act” for business leases on Osage trust and restricted lands. An Osage TERA would allow the Osage Minerals Council—working with the Chiefs and Congress—to enter and manage minerals leases and other agreements without approval from the BIA for every lease and permit. An Osage TERA could create significant efficiencies in the leasing, permitting, and other processes currently carried out by the BIA. The new TERA law preserves the Secretary of the Interior’s trust responsibilities relating to tribal minerals and funds and does not absolve the Secretary of existing statutory trust obligations, including those contained within the 1906 Osage Allotment Act and subsequent amendments. The Minerals Council has prudently evaluated determining that an Osage TERA is in the best interests of the Osage headright holders, but prior to implementing, the Osage TERA would have to be approved by the BIA. As the Osage Minerals Council investigates business endeavors to increase the Osage Shareholders checks.

Osage Nation Governmental Updates

FY2022 Budget was passed with an increase of \$1,257,723.00 from the Osage Nation Congress and signed by Chief for this upcoming fiscal year. These additional monies will be designated for 2 business endeavors for the Osage Minerals Council’s Enhanced Oil Recovery (EOR) and Orphan Well, plus professional fees, Indirect and space cost.

Grants

I am pleased to report the Aggregate Feasibility Study Grant kick off will be November 9-10 with our consultant Wampworx and DEMD in attendance here at Osage. A little background on our aggregate status our minerals have never been evaluated before and it is important to document the evaluation, marketability, and value of the aggregate. Currently, the U.S. Congress is discussing a 3 trillion-dollar bill on infrastructure for roads, bridges, and other forms of construction for improvements. It’s important for the OMC to consider all areas of our mineral assets as received 10% royalty payments from the sale of aggregate.



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OSAGE

Minerals Council

4TH COUNCIL MEMBERS

FY-2018 - FY-2022

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