

- I.** Call to order at 10:00 a.m. by Chairman Waller
- II.** Opening Prayer and Reading of Deceased Osages by Second Chairman Redeagle
- III.** Roll call by Lacey Reynolds
 - Councilwoman Forman – **present**, via Zoom
 - Councilwoman Gray – **present**
 - Councilwoman Harlan – **present**, via Zoom
 - Councilman Redcorn – **present**, arrived at 10:07 a.m.
 - Second Chairman Redeagle – **present**
 - Councilman Revard – **present**, via Zoom
 - Chairman Waller – **present**, via Zoom

Declaration of Quorum

Guests—Sierra Squire, Richard Winlock, Bill Lynn, Darryl Brown, Christian Mackey, Candy Thomas, Janelle McLean

Chairman Waller welcomed two interns, both Osage Nation members—Nick Tinker and Elisa Blasingame—working for OMC this summer and asked Lacey Reynolds to introduce them. Tinker attends William and Mary College, will earn his bachelor's degree in Finance and Philosophy this year, and plans to attend law school after graduation. Blasingame just completed the first year of a doctoral program in Political Science at the University of Georgia.

- IV.** **Superintendent Report**, Richard Winlock—said Superintendent Robin Phillips was unable to attend, so he reported in her place. Producing wells for April 14,852, less 3,230 salt water wells. Approved permits: three workover, six plugging, 11 emergency plugging, two emergency workover, and no drilling. One new drilling completion report from Short Oil Company on oil well number 3-2; production: 40 BOPD x 10 BWPD / well is online.

Discussion: **Councilman Revard** inquired where the well is located and whether it's deep or shallow. **Mr. Winlock** didn't have the information but said he would get it for OMC. **Councilwoman Gray** inquired when reopening would take place and asked Mr. Winlock to ask when reopening would occur. **Mr. Winlock** said someone is always present at the office but has not heard when BIA will officially reopen. He said he would ask and see if anyone knows the reopening date.

- V.** **Bureau of Trust Fund Administration**, Janel Perry—Ms. Perry announced BTFA is going through its final safety guidance and will likely reopen by the end of the summer. A virtual outreach for Osage Nation is forthcoming; it will explain how to read the quarterly statement. A presentation about fraud alert by Shawn Spruce will also be made.

Discussion: Councilwoman Gray said she received a lot of positive feedback from mineral holders regarding the payment. However, there have been some delays on paper checks. She also inquired about why an electronic transfer is not immediate and takes several days. Ms. Perry stated that once paper checks are mailed, there is no way to keep track of when delivery will be. BTFA's policy has always been 2-3 business days for electronic transfer of funds. She also encouraged people to enroll in automated clearinghouse (ACH) payments. Call BTFA with questions at 918.287.5791.

- VI. Auditor Report,** Lacey Reynolds—presented the report. *Osage Information Sheet:* COLLECTION—total April collections \$3,096,398.46; average price per barrel, April 2021: \$60.59. PRODUCTION—average daily barrels of oil produced 10,891; gross production tax paid/to be paid \$414,381.66. PAYMENTS—quarterly annuity payment \$3,550. *Osage Oil and Gas Calculated Receipts Versus Actual—April 2021: Production, May 2021: Collections:* PRODUCTION—Gross barrels 326,740; royalty barrels 48,160; gross barrels vs. royalty barrels 14.74%; daily barrels produced 10,891.33; COLLECTION—average price per barrel 61.60; total oil royalty \$2,917,770; total gas royalty \$71,063; tank bottom royalty \$483; total oil and gas royalty \$2,989,316; actual receipts \$2,989,316; no differences in calculated vs. actual receipts.

Discussion: Councilwoman Forman asked if there were any prior period adjustments in the April production and revenue. She further inquired whether the 10,891 barrels per day reflects actual production in April or whether it was collected from an earlier date reducing or increasing the number. Ms. Reynolds answered that there were collections from the previous period, but there were no production adjustments from the previous period. Councilwoman Forman clarified by asking if some of the March revenue was collected in April. She then asked about the production numbers. Ms. Reynolds said that was correct for collection, but production adjustments were not included in the report. Councilwoman Forman requested the production information for council members at a later date. Councilman Redcorn provided clarification stating several factors are included when calculating the average barrel for collection and production and thought Ms. Reynolds' report was accurate. The numbers are encouraging for shareholders and hopes they continue to increase. Chairman Waller added that amounts were up for the average cost per barrel is near \$67, and it is encouraging.

- VII. Hydrogen Market Analysis,** Darryl Brown—Councilman Redcorn shared that OMC received another DEMD grant. Councilwoman Gray added that funding was obtained to conduct a study of hydrogen, market analysis and feasibility study. Councilman Redcorn added further funding is coming for the economics of hydrogen. Chairman Waller requested Deputy Superintendent Winlock remove himself from the meeting.

Mr. Brown is an electrical engineer with DEMD. He presented results of a feasibility study about hydrogen marketing. The study included uses of hydrogen, methods of hydrogen production, hydrogen economics, marketing analysis/emerging markets, and hydrogen distribution and storage. The report also provided federal and state incentives and regulations, and hydrogen safety and transport.

- VIII. ~~Stricken Resolution~~**—Take \$30,000 from the well plugging fund to provide electricity to the St. John unit.

Motion by ~~Second Chairman Redeagle~~Second by ~~Councilwoman Gray~~

Discussion: **Second Chairman Redeagle** began by explaining that one of the first projects of orphaned and abandoned wells was the St. John Unit. The area needs cleaned up. There are tank batteries with water barrels corroded. There is a need for electricity to clean the wells. **Councilwoman Harlan** asked if the well plugging funds could be used for that purpose. **Councilman Revard** said he thought funds could not be used for that reason and to inquire with Candy Thomas; thought the motion is outside of the funding parameters. Rusty tank bottoms are very common and occurs at most units. Electricity is not needed to fix the problem. Workers have electric generators on their trucks that could be used to clean the wells. He does not think it's a good idea to spend plugging money without Candy Thomas' approval. **Second Chairman Redeagle** and **Councilwoman Gray** withdrew their motions. **Councilman Redcorn** agreed with Councilman Revard and wanted assurance that federal monies were spent correctly. **Chairman Waller** agreed with Mr. Redcorn and Mr. Revard and asked Candy Thomas for input. **Ms. Thomas** said she would have to check. She added that if the environment or public health and safety were threatened, funds could be used. More information is needed to conclude whether it's an emergency. Bids should also be obtained going through a RFP process with procurement oversight. She couldn't provide a definitive answer without all of the information about the St. John unit. **Chairman Waller** said the Nation has always worked well with OMC and more information will be provided to Ms. Thomas, if necessary.

- IX. Other Discussion**– **Chairman Waller** asked if Jamie Sicking was present. **Second Chairman Redeagle** said Mr. Sicking was unable to attend, but he had spoken with him the prior evening. Mr. Sicking told Mr. Redeagle talks were taking place about the ABB's possibility of returning to the endangered species list. He wanted OMC's support in helping keep this from happening. **Councilman Revard** stated he would like to visit further on the subject but in Executive Session. **Chairman Waller** asked if Mr. Sicking was on the agenda for the next meeting to discuss the matter in Executive.

Councilman Redcorn reiterated about the St. John unit's status. If the situation is an emergency, Chairman Waller has authority to expend funds to fix it. In the past, the Well Plugging Committee approved expenditures for emergencies. Since the committee is dissolved, Chairman Waller can authorize funds for emergencies. **Chairman Waller** said he'd follow through with Ms. Thomas and, if necessary, funds will be used, if an emergency is determined. **Councilman Revard** added that leaks happen all over the county, and it's not an emergency when it happens. A leak does not validate the need for electricity; leaks can be remedied with a vacuum truck. **Councilman Redcorn** said he agreed with Councilman Revard. If something is declared an emergency, they need to make sure it really is an emergency.

- X. Resolution**– The Osage Minerals Council hereby authorize securing acreage in order to operate and produce Orphan Wells in the Avant Pool (AP) as listed: NE 31-24N-12E, NW 31-24N-12E, SE 31-24N-12E, SW 31-24N-12E, NE32-24N-12E, NW 32-24N-12E, SE 32-24N-12E, SW 32-24N-12E, NE 6-23N-12E, NW 5-23N-12E, NE 5-23N-12E. Remaining leases will be open for negotiation or auction.

Motion by **Councilman Redcorn**Second by **Chairman Waller**

Councilwoman Forman – no

Councilwoman Gray – yes

Councilwoman Harlan – yes

Councilman Redcorn – yes

Second Chairman Redeagle—yes

Councilman Revard—no

Chairman Waller—yes

Motion PASSED—YES: 5 NO: 2 ABSTAIN: 0

Discussion: Councilman Redcorn said as a result of funding for well plugging, locations were found with great possibilities because of their oil levels. An economic analysis was also done to determine the likelihood of profit. Additionally, KU has been working with Mr. Lynn. Councilman Revard does not want to reserve 2,480 acres for OMC, removing the possibility of leasing to outside parties. He continued saying Councilman Redcorn's original resolution was to take 12 projects off the market and reserve for OMC, potentially 276,480 acres. If there were a minimum bid on those tracts, that could potentially be up to \$8.2 million. There are three different entities who want to lease or negotiate 11 of the tracts. Council needs to know how many wells are located on the 12 tracts—which is 1,760 acres, whether they're ready for production or need repairs. If so, the cost needs to be assessed and where the funding will come from. This is only doing due diligence. He also asked if this resolution rescinds the original resolution. He would like to table the topic and discuss more details from OMC's Geologist in Executive Session. Councilwoman Forman agreed with Councilman Revard, adding before voting to take tracts off the market, the original motion should be rescinded that took 276k acres off the market. The plan needs to be done, then make a motion. She thinks the 11 tracts may already be sold to another producer. She can't support the motion as it's worded and should have been made into two resolutions. Second Chairman Redeagle stated the intent of the motion rescinds the original motion but wanted assurance the motion relating to the 276k acres was rescinded. It was supposed to have been discussed at the last meeting but didn't happen. He Councilman Redcorn said it's all of OMC's decision. He agreed with Councilman Revard that being a producer is risky, but he thinks the risk is worth it. A full assessment was done. If OMC doesn't pass the resolution, another option could be to auction the tracts. The other resolution does not need to be rescinded because the current motion rescinds it, holding the tracts for OMC. He is tired of property and assets going to non-Osages. OMC needs to secure acreage, then seek funding. He's voting yes because he trusts our people and believes in reserving sovereignty. Councilwoman Gray said first and foremost OMC serves shareholders; it's a risk, but great to do it ourselves. The Osage Geologist, Bill Lynn has a great crew. Voting yes makes producing on OMC's terms. After 100 years, Osage can finally do the work themselves. Instead of 20% royalty, it will be higher. It'll be a benefit to shareholders. OMC-4 is a shareholders Council, not a producer Council. Councilwoman Forman clarified what she stated earlier, saying her 35 years of experience in the exploration and production side of the oil and gas business. Geology should come first, not land acquisition. As much as she'd like OMC to be their own producers, a plan needs to be done first. She would like to hear Mr. Lynn's plan for production, then she may be supportive. At this time, there is not enough information to take 11 sections off the market, so she can't support the motion.

- XI.** Resolution—Continue to hold money set aside for original gas consultant and use it to hire another gas consultant at a later date.

Motion by Councilwoman Forman

Second by Councilman Revard

Councilwoman Gray—yes

Councilwoman Harlan—no

Councilman Redcorn — **abstain**Second Chairman Redeagle — **yes**Councilman Revard — **yes**Chairman Waller — **abstain**Councilwoman Forman — **yes****Motion PASSED— YES: 4 NO: 1 ABSTAIN: 2**

Discussion: Councilwoman Forman said the pandemic is almost over and there was a wonderful gas consultant who helped understand the core gas measurement for the 746 gas meters. The consultant also helped create gas rules, inspected meters and made recommendations on how to move forward. Due to a family tragedy, he is no longer able to work for OMC, and his contract expired. A new gas management specialist needs to be hired. She thinks leftover funds are available but tied to the former consultant's contract and wants to ensure money will be set aside to hire a new consultant.

After vote: Second Chair Redeagle said according to Robert's Rules of Order, there needs to be a reason given for an abstention. Chairman Waller said he couldn't vote in favor at this time because he may need to redirect the line item elsewhere, at another time. Councilman Redcorn said Osages have a great engineer and gas person, who is under contract, can move quickly and would rather use current staff to move forward. Councilwoman Gray said there's a lot of work on Mr. Lynn. Gas measurement probably won't happen until OMC 5, but it needs to happen. We were promised \$16M, and we're waiting on the check. Waited for a feasibility study that was due in November, and it just came this month. We've been waiting on gas measurement longer. OMC 4 needs to rise. Councilwoman Forman disagrees with Councilwoman Gray. She thinks OMC-4 has made great strides. Under Councilman Redcorn's oversight, the project started in 2009, all councils haven't done anything to improve. Correction: there wasn't a promise for \$16M. Great strides were made with the contracted gas consultant, gas rules, production revenue standards, hope to be implemented and enforced. He she did several presentations showing how [shareholders] were underpaid and [oil] under-measured for 116 years. Working with government and Osage Nation takes a very long time to get things done. She's hoping to accomplish great things for the Minerals Estate. Councilman Redcorn said the 2009 report was mentioned and correspondence was sent to the mineral team. Teddy Fledger worked on the project sponsored by Redcorn. Locations were identified for investigation.

XII. Resolution — Utilize money for OMC Geologist and team here to take on gas measurement and do it within our office, since we already have the right people in place.

Motion by Councilwoman Gray

Second by Councilwoman Harlan

Councilwoman Harlan — **yes**Councilman Redcorn — **yes**Second Chairman Redeagle — **yes**Councilman Revard — **no**Chairman Waller — **yes**Councilwoman Forman — **no**Councilwoman Gray — **yes****Motion PASSED— YES: 5 NO: 2 ABSTAIN: 0**

Discussion: Councilwoman Forman said she didn't know the petroleum engineer Councilman Redcorn recommended. Gas measurement is a highly specialized field. Petroleum engineers are not trained in this when they get a PE degree. It's a highly technical, specialized training. If he has the specialized training, she doesn't have a problem with him doing it. She'd rather wait for DEMD for a gas management specialist and compare qualifications of the one recommended by Councilman Redcorn. Councilman Redcorn said Councilwoman Forman misinterpreted his intent. He didn't ask OMC's engineer to do the testing. There is another consultant on staff who has a lot of field gas experience. He asked in the email that they sponsor the work going forward and find consultants, working with procurement office, and push forward with contracts to get the rig in place. Two things that are critical—equipment and results. If it's handled by Mr. Lynn's group, it'll be done right; they have the best people onboard. He is prepared to vote yes. Second Chair Redeagle said this has been talked about since 2009, and nothing has been done. One year left on OMC-4, and we don't have a very good track record. We need to move. Councilwoman Forman wanted to clarify that her motion was to go through the procurement process to move forward to get a gas consultant. If Mr. Lynn has time to find a qualified gas specialist, she will support the motion.

XIII. Consultation Meeting—Dates are needed as soon as possible for the lease sale. It was decided that Council members should email Lacey Reynolds with three dates they're available, and Lacey will set the dates.

XIV. Motion—Approve June 4, 2021 Osage Minerals Council meeting minutes.

Motion by **Second Chairman Redeagle**

Second by **Chairman Waller**

Councilman Redcorn—yes

Second Chairman Redeagle—yes

Councilman Revard—no

Chairman Waller—yes

Councilwoman Forman—no

Councilwoman Gray—yes

Councilwoman Harlan—yes

Motion PASSED—YES: 5 NO: 2 ABSTAIN: 0

Discussion: Councilwoman Forman requested a correction to the minutes on item VI pertaining to Chairman Waller having signatory authority on behalf of OMC because the paraphrased minutes' resolution was not written verbatim. She wanted to read the changes that were needed. Chairman Waller asked if they were typos or what was wrong. Councilwoman Harlan stated she made the motion, and the minutes identified the intent of her motion. As a point of order, there was a motion and second on the floor. Councilwoman Forman then read what was in the minutes versus what was said by Councilwoman Harlan in the meeting. It's simple to find on the video and can be corrected. Councilwoman Harlan said minutes were correct; they gave the intent of her motion. She said after she made the motion, the discussion was very clear about her motion. All business goes through the Chairman. Other council members need to stop acting independently from the entire group. Councilman Revard asked the minutes be corrected to reflect the resolution made exactly as it was stated in the recording. He said the correction would make the minutes' approval only a few weeks later. The intent is not clear.

XV. Motion – Adjourn meetingMotion by **Councilwoman Harlan**Second by **Councilwoman Gray**Second Chairman Redeagle – **yes**Councilman Revard – **no**Chairman Waller – **yes**Councilwoman Forman – **yes**Councilwoman Gray – **yes**Councilwoman Harlan – **yes**Councilman Redcorn – **no****Motion PASSED** – YES: 5 NO: 2 ABSTAIN: 0

Meeting adjourned at 12:45 p.m.

Approved by the Fourth Osage Minerals
Council on July 9, 2021.



Everett Waller, Chairman



Executive Administrative Assistant