



Osage Minerals Council
Regular Meeting
April 19, 2023
Pawhuska, Oklahoma

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1. **Call to Order and Welcome by Chairman Waller – 10:03 a.m.**
2. **Opening prayer by Councilman Red Eagle and reading of deceased.**
3. **Roll Call – Chief of Staff Lacey Reynolds**

Councilmember Bighorse – present
Second Chair Cheshewalla – present
Councilmember Currey – absent
Councilmember Redcorn – absent
Councilmember Red Eagle – present
Councilmember Revard – present
Councilmember Shackelford – present
Chairman Waller – present

Chief of Staff Lacey Reynolds declares a quorum.

Guests in attendance are Brant Davis, John Keeline, Roy Fletcher, Bryant Smalley, Ken Johnson, Tom Thralls, Cliff Taylor, Troyce Garringer, Scott Ducharme, Alan Brown, Galen Crum, Candy Thomas, Jody Allred, Miranda Mitchell, and Ira Hight.

4. Superintendent Report – Acting Deputy Superintendent Cammi Canady

Ms. Canady states the superintendent report is as follows: Total oil produced 303,049.98, royalties paid \$3,410,589.47, total gas produced 240,559, MCF royalties paid \$130,642.83, total gas liquids 113,289 gallons, royalties paid \$22,807.68, total tank bottom 288.61, royalties paid \$651.55 and water usage royalty paid \$25,375. Aggregates - APAC produced 31,879.18 tons and paid \$43,495.30 in royalty. Candy Creek produced 15,118.68 tons and paid \$13,938.50 in royalty. Burbank Materials produced 14,473.56 tons and paid \$15,682.30 in royalty. Rocky Bates produced 348 cubic yards and paid \$190 in royalty. Wilson Ranch produced 0 cubic yards and paid \$0 in royalty. Schmidt Brothers produced 0 cubic yards and paid in \$0 in royalty. Sherwood Construction produced 0 cubic yards and paid in \$0 in royalty. Producing wells - there are 14,852 plus 3,230 SWD wells, oil wells – 13,319, oil and gas wells - 62, gas wells – 1,144, and CBM wells - 327. Permits issued – 4 workover, 41 plugging, 2 emergency plugging, 0 emergency workover and 6 drilling permits. There are no new drilling completions to report. It is also reported that the information requested at the last meeting is already included in the reports furnished. The current month production is on the Oil Volume Summary and the Gas Volume Summary and the individual prices and barrels are on the HPP Report and the yearly Gas Volume Summary.



Councilman Revard requests clarification on whether the reported royalties paid are on the reported amounts listed as produced. **Ms. Canady** states that they are the actual royalties received in February including current and late. **Councilman Revard** asked about the drilling permits and why are there so few and asks whether it is the Federal Regulations. **Ms. Canady** says that the regulations do not seem to impact elsewhere in the country. **Councilman Revard** mentions the Superintendent policies. **Ms. Canady** states that they are willing to work with the Minerals Council and producers. **Chairman Waller** asks about meeting with the Superintendent regarding those policies.

*Councilwoman Currey enters meeting at 10:15 am

5. **BTFA Update – Troyce Garringer**

Troyce Garringer states that they are in between payments and are mainly working on updating individual accounts. Anyone needing to update can contact the office at 918.287.5791.

Chairman Waller called for a ten minute break at 10:50 a.m.

*Councilman Redcorn enters meeting at 10:50 a.m.

*Councilwoman Currey leaves meeting at 10:52 a.m.

Council reconvenes at 11:01 a.m.

*Councilwoman Currey enters meeting through Zoom at 11:11 a.m.

6. **Osage Nation Treasury report – Tyler McIntosh**

Tyler McIntosh gives a March 31, 2023 treasury report. Balance sheet total assets is \$497,433. Total liabilities are \$74,315. Fund Equity at the end of March \$423,118 which is a \$93,793 growth since last month. YTD as of March 31, 2023, total revenues are \$500,000 and total expenditures are \$406,514, which explains the increase in fund equity. **Councilman Revard** asks what the source of the revenue is. **Mr. McIntosh** explains it is from the two drawdowns of \$250,000 each. **Councilman Revard** asks if anywhere in the reports will there it show the balances of our Osage Nation appropriations of \$400,000 and the amount left. **Mr. McIntosh** explains he is working on that and will provide in next month's report. **Councilman Revard** asks if we could get it before then or more specifically, tomorrow. **Mr. McIntosh** responds that he has many requests coming in and will do this as soon as he can. **Councilman Revard** states that he is asking this because the Minerals Council has an \$800,000 appropriations request before the Congress to pay outstanding bills and asks for access to those invoices once again. He



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continues by questioning whether any of the remaining \$400,000 will be used instead of or in addition to the requested \$800,000. **Councilman Redcorn** speaks on one of the \$200,000 appropriations and states that this company thinks that they have found 93 million barrels of oil and we would like a chance to explore this further because it could be \$10 million in revenue. **Chief of Staff Lacey Reynolds** asks that it go on record that Councilwoman Currey has joined the meeting through ZOOM due to health concerns. **Mr. McIntosh** asks for clarification on requests from individual Council members - is he to provide to the entire Council or just to the member requesting the information. **Chairman Waller** says that all those should be sent back through the Chief of Staff so that there is procedure in place to track them. **Councilman Revard** questions whether all of the members will get copies of the information provided. **Chairman Waller** assured him that the Chief of Staff would distribute them to all members as has been done previously. **Mr. McIntosh** discusses the current budget requests and the original request of \$1.25 million and states that there were over \$3.5 million in total requests. He states that the \$764,000 in legal fees have been verified and that he will provide the invoices and that the budget process will continue forward. **Councilman Revard** asks to see invoices for 2021 as well. **Mr. McIntosh** says he will furnish them to the Chief of Staff and the information will be disseminated out from the office. **Mr. McIntosh** reminds them that we are in the 3rd quarter and **Chairman Waller** states that the 3rd drawdown will be prepared.

7. Auditor Report – Jody Allred

Jody Allred introduces himself and Miranda Mitchell from Weaver. **Mr. Allred** states that their biggest need at this point is access to the data on NIOGEMS. **Chief of Staff Lacey Reynolds** states that if the Council would pass a resolution allowing Weaver access then it might be possible.

Motion: Grant full access to NIOGEMS and database connections to Weaver.

Motion by: Councilman Redcorn

Councilmember Bighorse – Y
Councilmember Currey – Y
Councilmember Red Eagle – Y
Councilmember Shackelford – Y
Motion: **Passed** YES: 8 NO: 0

Second by: Councilman Red Eagle

Second Chair Cheshewalla - Y
Councilman Redcorn - Y
Councilmember Revard –Y
Chairman Waller - Y
ABSTAIN: 0 ABSENT: 0

Mr. Allred requests work session to determine and clarify what the Minerals Council would like to achieve. **Chairman Waller** states a meeting will be set up and states that monthly reporting at the purchaser level is one thing that is wanted.



8. New Business

a. EPA Region 6 – MIT Update – Bryant Smalley, Ken Johnson, Chris Tingey

Councilman Red Eagle introduces the EPA representatives. **Mr. Johnson** says that there are approximately 170 wells in Osage County that need to be tested for nitrogen damage. **Mr. Smalley** states that the EPA has two inspectors for this area - Matthew Allen and Tamera Griffin and that they are field certified to conduct all appropriate inspections and fully trained. Discussion was held regarding the qualifications of the EPA staff handling this area. **Councilman Redcorn** states that Osage County does not have the earthquake issues and that our program along with work with the EPA, thinks are program is running well. **Ken Johnson** responds that earthquake precautions are in place even though Osage County is not affected as much as some of our border counties.

Councilman Revard raises questions about MIT Letters. **Mr. Smalley** assures that procedures are in place with the MIT letters and that they are going out. **Councilman Revard** reminds them that the Minerals Council claims ownership of the core space. **Councilman Redcorn** asks about the CCUS and CCS and states an interest in the CCUS. **Mr. Johnson** states that Oklahoma is not taking any action on Class 6. He states that there is money available through the Bipartisan Infrastructure Law but it is not clear on who the lead Oklahoma agency will be. **Chairman Waller** states that they could work together on the application. **Councilman Red Eagle** introduces Ira Hight who is with Tribal Affairs and is stationed in Anadarko. **Mr. Johnson** says that if anyone has questions about Class 6 wells, they can contact him and everyone would work together to settle any issues.

b. Royal – New lease – Brant Davis

Brant Davis wants to negotiate lease on SW/4 29-22-10. He proposes 3 year lease, oil only, 20% royalty, and \$3,600 bonus.

Motion: Approve Royal a new oil lease for the SW/4 29-22-10 with a 3-year primary term, 20% royalty, and \$3,600 lease bonus.

Motion by: Second Chair Cheshewalla

Councilmember Bighorse – Y

Councilmember Currey – Y

Councilmember Red Eagle – Y

Councilmember Shackelford – Y

Motion: Passed

YES: 8

NO: 0

ABSTAIN: 0

ABSENT: 0

Councilman Redcorn - Y

Councilmember Revard – Y

Chairman Waller - Y

Second Chair Cheshewalla - Y

Second by: Councilman Shackelford



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c. PE Osage – New lease – Roy Fletcher

Roy Fletcher wants to negotiate lease on NE/4 21-20-12. He proposes 3 year oil and gas lease, 20% royalty, and \$4,750 bonus. **Mr. Fletcher** compliments Cammi Canady on the helpfulness of her and her colleagues in working on this.

Motion: Approve PE Osage a new oil and gas lease, less coalbed methane for the NE/4 21-20-12 with a 3-year primary term, 20% royalty, and \$4,750 lease bonus.

Motion by: Councilman Red Eagle

Councilmember Bighorse – Y
Councilmember Currey – Y
Councilmember Red Eagle – Y
Councilmember Shackelford – Y

Motion: **Passed** YES: 8 NO: 0

Second by: Councilman Redcorn

Second Chair Chesewalla - Y
Councilman Redcorn - Y
Councilmember Revard –Y
Chairman Waller - Y

ABSTAIN: 0 ABSENT: 0

d. Performance Petroleum – New lease – Scott Ducharme

Scott Ducharme wants oil and gas lease on NW/4 31-29-11 for 3 years, \$4,750 bonus, no changes on anything from previous lease that terminated.

Motion: Approve Performance Petroleum a new oil and gas lease for the NW/4 31-29-11 with a 3-year primary term, 20% royalty, and \$4,750 lease bonus.

Motion by: Councilman Bighorse

Councilmember Bighorse – Y
Councilmember Currey – Y
Councilmember Red Eagle – Y
Councilmember Shackelford – Y

Motion: **Passed** YES: 8 NO: 0

Second by: Councilman Shackelford

Second Chair Chesewalla - Y
Councilman Redcorn - Y
Councilmember Revard –Y
Chairman Waller - Y

ABSTAIN: 0 ABSENT: 0

e. Kansas Geological Survey – presentation of research – Jennifer Raney

Ms. Raney was unable to make it today and asked to be added to the next agenda.

f. Pipeyard lease – Candy Thomas

Ms. Thomas has stepped away.

9. Executive

a. Personnel – Chairman Waller



Chairman Waller states that he does not need to go in to Executive Session and asks Chief of Staff Lacey Reynolds for an update on the Executive Administrative Assistant position. **Chief of Staff Lacey Reynolds** reports that the position was offered to and accepted by Lisa Hudson but a resolution is needed to hire her. **Councilman Revard** asked if it was at same pay and **Chairman Waller** said that everything was the same as previously decided upon.

Motion: Hire Lisa Hudson for the open position of Executive Administrative assistant

Motion by: Councilman Redcorn
Councilmember Bighorse – Y
Councilmember Currey – Y
Councilmember Red Eagle – Y
Councilmember Shackelford – Y
Motion: Passed YES: 8
NO: 0
ABSTAIN: 0
Second by: **Councilman Red Eagle**
Second Chair Cheshewalla - Y
Councilmember Redcorn - Y
Councilmember Revard – Y
Chairman Waller - Y
ABSENT: 0

Councilman Red Eagle asks about the Receptionist position that had been discussed. **Chairman Waller** states that they are going to postpone that a little while in order to give Lisa time to get settled in with her responsibilities but a receptionist will still be hired.

10. Old Business

Chairman Waller states that he has had a question asked about the Public Meeting held this morning regarding the GRID grant. **Councilman Revard** has concerns that it was not a Public Meeting or Hearing because the Minerals Council was not involved. **Chairman Waller** states that as part of the grant procedures, a public meeting must be held but does not require the Minerals Council to be in attendance or involved and he is good with the meeting that happened this morning. **Councilman Revard** is still in disagreement. **Councilman Redcorn** states that it is his understanding that since the Minerals Council passes a Resolution to apply for the grant, Chief of Staff Lacey Reynolds has approval to proceed with the requirements for this application without any further resolutions from the Council. **Councilman Revard** continues to argue that nothing has been done on the grant application since the Resolution was passed because he has not been notified of anything. **Councilman Redcorn** states that his conversations/contacts regarding the grant has been with the Chief of Staff since that would be the person to make sure the grant requirements are being met. **Chief of Staff Lacey Reynolds** asks for clarification on how much administrative duties the Minerals Council wants to take on in preparing the grant.



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Councilman Redcorn states that the Minerals Council office staff has been following through with preparing the grant and supports them in following through with a resolution that the Minerals Council has passed. **Chairman Waller** asks that Candy Thomas join them to discuss this grant as well as return to Item 8f in New Business. Ms. Thomas moves to join the Council and is being questioned by Councilman Revard as she is in the process of moving. **Chairman Waller** tells everyone to let her get settled and states that there seems to be a lack of respect within the room and reminds them that this is the Nation we are talking to – Our Nation. **Councilman Revard** asks Ms. Thomas about the Public Hearing and **Ms. Thomas** states that the Minerals Council is the one that had the public hearing, not the Osage Nation. **Councilman Revard** continues to state that a Public Meeting was not held. **Chief of Staff Lacey Reynolds** states that the Public Hearing was that morning and that afternoon, a survey would be available. **Chairman Waller** begins to respond to Lacey Reynolds' report and is interrupted by Councilman Revard. **Chairman Waller** comments on Councilman Revard's many interruptions of people speaking. He continues that too much time is being spent on topics. He also states that this could be a toxic environment that could be taken to the AG office and that he has never had a Minerals Council act like this and to cut it out.

Chairman Waller states that he has asked Councilman Shackelford to be the contact person for the TEDC grant and that Councilwoman Currey assist.

Motion: Appoint Councilman Shackelford and Councilwoman Currey as Minerals Council leads on the TEDC grant.

Motion by: Councilman Redcorn

Councilmember Bighorse – Y

Councilmember Currey – Y

Councilmember Red Eagle – N

Councilmember Shackelford – Y

Motion: **Passes**

YES: 7

Second by: Chairman Waller

Second Chair Cheshewalla -Y

Councilmember Redcorn - Y

Councilmember Revard –Y

Chairman Waller - Y

NO: 1

ABSTAIN: 0 ABSENT: 0

11. Meeting Minutes

Motion: Approve meeting minutes

Motion by: Councilman Redcorn

Councilmember Bighorse – Y

Councilmember Currey – Y

Second by: Councilman Red Eagle

Second Chair Cheshewalla -Y

Councilmember Redcorn - Y

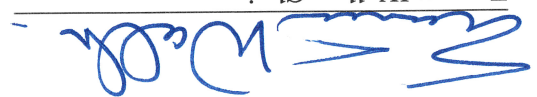


Councilmember Red Eagle – Y
Councilmember Shackelford – Y
Motion: **Passes** YES: 8 NO: 0
Councilmember Revard – Y
Chairman Waller – Y
ABSTAIN: 0 ABSENT: 0

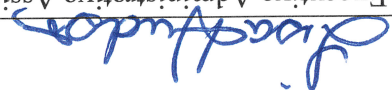
12. Adjournment

Adjournment
Motion: **Adjourn**
Motion by: **Councilman Bighorse**
Councilmember Bighorse – Y
Councilmember Currey – Y
Councilmember Red Eagle – Y
Councilmember Shackelford – Y
Motion: **Passed** YES: 8 NO: 0
Time: 1:02 p.m.
Second by: **Councilman Shackelford**
Second Chair Cheshewalla – Y
Councilman Redcorn – Y
Councilmember Revard – N
Chairman Waller – Y
ABSTAIN: 0
ABSENT: 0

Approved by the Fifth Osage Minerals Council on May 5, 2023.



Everett Waller, Chairman



Executive Administrative Assistant