



Osage Minerals Council

Regular Meeting
September 2, 2022
Pawhuska, Oklahoma

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1. Call to Order and Welcome by Chairman Waller – 10:00 a.m.
2. Opening Prayer – Councilmember Myron Red Eagle
3. Roll Call – Chief of Staff Lacey Reynolds

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

Guests: Anna Padgett Seigel, Norma Standridge, Tom Oast, Devin Robinson, Henry Rennick, John Maker, Joe Tillman, Chuck Spurgeon, Tami Spurgeon, David Bird, Jeanine Logan, Cliff Taylor, Mel Carter, E.W. Carter, Del Olivarez, John W. Pelger, Robert Knappe, Jr., Gary Jones, Beverly Brownfield, Teresa Bates Rutherford, Gary Green, Cynthia Boone, Mary Green

4. New Business

a.

Osage 2 – Gary Jones discussed the possibility of forming the nonprofit group called Osage 2. He named each person who volunteered their time to help form the codes for the group. With the exception of Rosemary Wood who was ill, each person spoke and gave a brief background. Volunteers are Gary Jones, Janine Logan, Henry Rennick, Steven Burns and Rosemary Wood. **Council Revard** suggested tabling the discussion about Osage 2 until all of OMC has more information. He also asked to see the attorney general's opinion about the nonprofit. Lacey Reynolds said he did not provide a formal opinion, only discussions between Mr. Jones and Mr. Patterson. **Council Redcorn** thanked the talented people for volunteering their time to serve on the board. He said the point of the board was to "attack orphan wells." A grant was written to locate orphan wells that have value that no producers are interested in leasing. After all committees were dissolved in OMC-4, Council Redcorn continued work on Osage 2. OMC staff sent emails announcing meetings, Council Redcorn attend them. Mr. Burns and Mr. Lynn worked together to locate orphan wells with value, the beginning of the process. Any of OMC can call any board member to get information about their efforts to get more barrels of oil out of the ground. Carbon credits will drive the organization. This group is a challenge to OMC to do something to increase production somehow. Oil production can go up or down; more oil production means a higher headright payment. **Council Red Eagle** said he is there to protect, defend and develop the Mineral Estate; that was his campaign promise, and he will stand by that vow. He likes the innovative ideas. He will vote how shareholders want. **Council Revard** said he liked the foundation on volunteerism, but there are still too many questions. He did not agree with the competition against existing operators. **Second Chair Cheshewalla** said getting oil out of the ground is the responsibility of lessees. OMC should go to Washington, D.C. to speak to Secretary Halaand about the BIA restraints at Osage Agency that hold up production on the reservation. **Council Redcorn** wanted the Osage 2 group presented to OMC-5 to see what everyone thought about the idea and to get feedback from councilmembers and shareholders. **Council Shackelford** said the idea stands out as a bold move. The vetting process needs extra time to make sure due diligence is done. **Mr. Jones** said most of the problems are coming from a lack of communication. Carbon credits are a way to monetize oil. Other ways to monetize



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OMC by leaving carbon in the ground. He added that he always works diligently and with transparency.

- b. Resolution:** Approve for a three-year term an oil and gas lease, less coalbed methane, for JBD Oklahoma, LLC for SW 19-29N-11E with a \$4,750 bonus and 20% royalty and a SWD easement for SE 24-29N-10E with a \$300 annual fee

Motion by **Second Chair Cheshewalla**

Councilmember Bighorse – y

Councilmember Currey – y

Councilmember Redcorn – y

Councilmember Shackelford – y

Motion **PASSED** YES: 8 NO: 0 ABSTAIN: 0 ABSENT: 0

Second by **Chairman Waller**

Second Chairman Cheshewalla – y

Councilmember Red Eagle – y

Councilmember Revard – y

Chairman Waller – y

- c. Resolution:** Approve for a three-year term an oil only lease for R&D Resources for SW 12-28-10, SE 11-28-10, NE 14-28-10 with a \$3,600 bonus and 20% royalty

Motion by **Council Red Eagle**

Councilmember Bighorse – y

Councilmember Currey – y

Councilmember Redcorn – y

Councilmember Shackelford – y

Motion **PASSED** YES: 8 NO: 0 ABSTAIN: 0 ABSENT: 0

Second by **Council Redcorn**

Second Chairman Cheshewalla – y

Councilmember Red Eagle – y

Councilmember Revard – y

Chairman Waller – y

- d. Resolution:** Approve for a three-year term an oil and gas lease, less coalbed methane, for Glenn Supply for NE 17-25-5 and NW 16-25-4 with a \$4,750 bonus and 20% royalty per tract

Motion by **Second Chair Cheshewalla**

Councilmember Bighorse – y

Councilmember Currey – y

Councilmember Redcorn – y

Councilmember Shackelford – y

Motion **PASSED** YES: 8 NO: 0 ABSTAIN: 0 ABSENT: 0

Second by **Council Red Eagle**

Second Chairman Cheshewalla – y

Councilmember Red Eagle – y

Councilmember Revard – y

Chairman Waller – y

5. Motion: Enter Executive Session

Motion by **Council Red Eagle**

Councilmember Bighorse – y

Councilmember Currey – y

Councilmember Redcorn – y

Councilmember Shackelford – y

Motion **PASSED** YES: 8 NO: 0 ABSTAIN: 0 ABSENT: 0

Time: 11:38 p.m.

Second by **Council Redcorn**

Second Chairman Cheshewalla – y

Councilmember Red Eagle – y

Councilmember Revard – y

Chairman Waller – y

Motion: Exit Executive Session

Motion by **Council Redcorn**

Councilmember Bighorse – y

Councilmember Currey – y

Councilmember Redcorn – y

Councilmember Shackelford – y

Motion **PASSED** YES: 8 NO: 0 ABSTAIN: 0 ABSENT: 0

Time: 1:16 p.m., break until 1:42 p.m.

Second by **Second Chair Cheshewalla**

Second Chairman Cheshewalla – y

Councilmember Red Eagle – y

Councilmember Revard – y

Chairman Waller – y

- a. Resolution:** Table Continental Lease



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Motion by **Council Shackelford**

Councilmember Bighorse – y

Councilmember Currey – y

Councilmember Redcorn – y

Councilmember Shackelford – y

Motion **PASSED** YES: 8 NO: 0 ABSTAIN: 0 ABSENT: 0

Second by **Council Bighorse**

Second Chairman Cheshewalla – y

Councilmember Red Eagle – y

Councilmember Revard – y

Chairman Waller – absent

6. Old Business

- a. **Modular Refinery:** *A Proposal for the Improvement of Oil Production on Osage Lands* was given by Del Olivarez and Jim Hessert of Solarian Technology and Syntactic Systems. They presented ideas on the Internet of Technology, *IoT*, a set of sensors with communications and servers that provides the user with the information needed to accomplish goals. *IoT* would also provide the physical data needed to manage the Osage Oilfield assets and process data into recommendations for tactical operations. The study allows measurement of the various elements of the oil/gas/water moving from the well into the local tank and from the tank to the output measurements; it shows exactly, within 0.1 barrels, how much oil is produced into the tank and how much is removed. **Second Chair Cheshewalla** asked how the oil would be removed – truck or pipeline. **Mr. Olivarez** said either way could be done. He'd heard the nation wanted to create a trucking company. **Council Revard** asked if there were any refineries such as this anywhere. **Mr. Olivarez** said there was one in west Texas near Abilene. **Council Revard** wanted real numbers. He asked why they needed Osage and why they weren't doing the project elsewhere. He asked why they didn't pursue the project at Perdure. **Mr. Olivarez** said he did not come for Perdure. He came to help Osage. **Council Revard** said the orphan well program found 38 wells with potential for production. **Mr. Olivarez** said he would like the opportunity to reassess the other wells. **Council Redcorn** said he agreed with Council Revard, adding the push will be toward a modular refinery with Mr. Olivarez's company after assessing, plugging, and producing. **Mr. Olivarez** said he'd take all the wells and work something out. They can remediate salt scars and any problems around wells. **Council Red Eagle** added the mission statement of OMC is to develop the Mineral Estate.

b. **Resolution:** Table for Evaluation (University of Tulsa UVT white papers)

Motion by **Council Red Eagle**

Councilmember Bighorse – y

Councilmember Currey – y

Councilmember Redcorn – y

Councilmember Shackelford – y

Motion **PASSED** YES: 8 NO: 0 ABSTAIN: 0 ABSENT: 0

Second by **Second Chair Cheshewalla**

Second Chairman Cheshewalla – y

Councilmember Red Eagle – y

Councilmember Revard – y

Councilmember Waller – absent

Discussion: **Chairman Waller** explained the project that the University of Tulsa has a study to monitor three locations after they are plugged. Gas releases can help find abandoned wells that aren't on the list. Bill Lynn will choose three locations for TU to monitor. **Council Revard** asked why OMC is plugging wells when it is the BIA's responsibility. TU should have contacted the BIA, and they should have been the ones to plug the wells. **Council Redcorn** said the BIA is liable on the well plugging program. **Council Red Eagle** said the BIA is supposed to concur with OMC. Council Redcorn said the well plugging team is doing a good job. **Council Revard** agreed with Council Redcorn. Participating in the project could lead to more stringent requirements from the government. He asked Chairman Waller not to sign any agreements with TU. **Chairman Waller** reiterated that he never signs anything on behalf of OMC that is not backed by a resolution.



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7. Motion: Approve minutes

Motion by **Council Red Eagle**

Councilmember Bighorse – y

Councilmember Currey – y

Councilmember Redcorn – y

Councilmember Shackelford – y

Motion **PASSED** YES: 8

NO: 0

ABSTAIN: 0

ABSENT: 0

Second by **Council Redcorn**

Second Chairman Cheshewalla – y

Councilmember Red Eagle – y

Councilmember Revard – y

Councilmember Waller – absent

8. Motion: Adjourn

Motion by **Chairman Waller**

Councilmember Bighorse – y

Councilmember Currey – y

Councilmember Redcorn – y

Councilmember Shackelford – y

Motion **PASSED** YES: 8

NO: 0

Time: 2:53 p.m.

Second by **Council Currey**

Second Chairman Cheshewalla – y

Councilmember Red Eagle – y

Councilmember Revard – y

Councilmember Waller – absent

ABSTAIN: 0

ABSENT: 0

Approved by the Fifth Osage Minerals Council on September 21, 2022.

Everett Waller, Chairman

Jace Reynolds Chief of Staff
for

Anna McKibben

Executive Administrative Assistant