

Osage Minerals Council

Regular Meeting

April 17, 2015

Call to Order

Councilman Waller calls the meeting to order at 10:02 A.M.

Opening Prayer and Reading of Deceased

Myron Redeagle gives the opening prayer. Councilman Redcorn reads deceased Osages.

Roll Call

Lacey Reynolds calls roll. Osage Minerals Council members present Councilwoman Boone, Councilman Cheshewalla, Councilman Crum, Councilwoman Erwin, Councilwoman Red Corn, Councilman Redcorn, Councilman Waller, and Councilman Yates

Guests in attendance:

Tony Benavides, Grant Black, Jim Williams, Jim Knipe, Jinx Geurin, Joy Ledbetter (OST-Osage Agency), Steve Sewell (Hard Rock), Kenny Arnold, Jerry Willsey (Liflek), John Long, Rene Henry (CCC), Tim Pinney (CCC), Randy Dildine (CCC), Chris Henderson, Nick Saunders, Ronnie Hindman, Nick Hail (Vermillion), Sid Anderson (IHEG), Melida Coirqenas (C4 Logistics), Sonny Arocha (C4), Jaime Anzaldua (C4 Logistics), Joe Daugomah (Great Nations), Nerva Roach, Pat Lloyd, Shane Matson, Matt Beavers (Devon)

New Business

Great Nation – Joe Daugomah

Joe Daugomah and Nick Hail talk about secondary recovery. This is a onetime treatment. It literally takes parts of the well and turns it into positives. Wells a mile away can also receive the treatment. Normal well treatment only takes 2 to 3 days. Councilman Redcorn asks, "What would you want from us?" Nick would like data, more than anything data. The Council states that Great Nation's need to write a letter to Chairman Waller about what you are wanting.

C4 – Jaime Alzundua

C4 Logistics deals with waste water management. They have vacuum trucks that are going to take the product from the wells and as it is brought in to a commercial salt water disposal facility, it would be brought in and disposed of. There would be the separation process of the brine and the recovery that comes from the separation. Also, we have water reclamation to help recycle that water.

Ground Metrics – Jim Williams

They place EQube at the surface and actually use the casing as our antenna. They inject about 20 amps a current down the production casing and we create an electromagnetic field in the subsurface. It is similar to what you see those lines of electricity and with that they can sense fluid within the subsurface. So, they actually track fluids. They show the Council a video. The total cost per ¼ section is between 100 & 150,000. Councilman Redcorn wants results of other places forwarded to Chairman Waller.

Geo Prospects – Tom Thralls

Geo Prospects want to form an alliance concession. They will go after federal grant money. 3000 feet is max. They showed a video to the Council. Councilman Redcorn wants to know where it's been operated. There is one in Tulsa County.

Cynthia Boone- Celebration for Marguerite Dennison

Councilwoman Boone would like to have Marguerite Dennison a reception for her turning 100. The cost should be about \$150. Council will talk about this more on the Wednesday meeting.

Review March Meeting minutes

Chairman Waller said, "We are just now completing those and it will be put in your box on Monday and we will vote on them Wednesday."

Nadel and Gussman –

They are requesting a negotiating oil and gas lease for NW 2-22-N8E. Terms they are requesting are \$50 per acre, 20% royalty, and 18th months for a paid up oil and gas lease. There are 5 wells that are on this lease. Council will have Nadel and Gusman come back on the Wednesday meeting.

Halcon-Chris Henderson

Chris Henderson and John Long purchased Halcon the former Grand concession on November 18th. They haven't yet received all of our assignments to be approved. They did come across some of the primary terms are expiring, in as little as couple of weeks. They are asking for one year extension on the primary term, on all ¼ not held by production. There are around 30 quarters. I have 4 expiring on April 30, 8 on May 30, 11 on June 12, 6 July 23, and 1 in November. They state all of Halcon's assignments have been turned in. 40 have been approved, 30 extended, and 6 wells. Council is going to have Tim Dowd to pull up Halcon concession, to see what rights he has under that and the date it ended. Robin Phillips said, "It will have to be a new lease." Council gathering more information for next Wednesday's council meeting.

Motion was made to go into Executive by *Councilwoman Erwin* and seconded by *Councilman Yates*.

VOTING: CHESHEWALLA-YES, CRUM-YES, ERWIN-YES, K.RED CORN-YES, T.REDCORN-YES, WALLER-YES, YATES-YES, BOONE-YES

MOTION PASSES: 8 –YES 0 –NO

(Entered Executive at 12:25 p.m.)

Motion was made to come out of Executive by *Councilman Crum* and seconded by *Councilwoman Erwin*.

VOTING: CHESHEWALLA-YES, CRUM – YES, ERWIN- YES, K.RED CORN-YES, T.REDCORN-YES, WALLER-YES, YATES-YES, BOONE-YES

MOTION PASSES: 8 – YES 0 – NO

(Came out of Executive at 2:02 p.m.)

Bandolier – Shane Matson

Shane Matson is present to request for the Pearsonia West concession. The Council reviewed from last meeting. There is about 105,000 acres. It has made about 200,000 barrels of oil in this area. The proposed commitment would be four for next year, nine the following year, 12 the following year, and 3D seismic as well. The goal would be bringing more seismic data to the table. It will be sent to Tim Dowd on Monday and the Council will discussion this on Wednesday .

Burbank Materials

We don't have to come up with that today or Wednesday. Council has their documents prepared and they will get back with Burbank Materials.

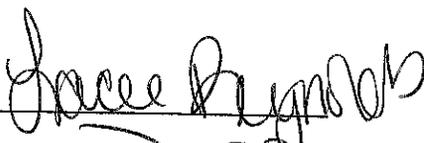
Sullivan – Resolution gas lease

We have the final resolution prepared. The final resolution will be in the books on Wednesday. Lease time frame is two years.

Motion was made to adjourn by Councilwoman *Erwin* and seconded by *Councilwoman Boone*.

VOTING: CRUM -YES, ERWIN -YES, K. RED CORN -YES, T. REDCORN -YES, WALLER -YES, YATES -YES,
BOONE -YES, CHESHEWALLA -YES

MOTION PASSES: 8 - YES 0 - NO

Minutes Submitted By: 
Approved By: 