

OSAGE MINERALS COUNCIL

REGULAR MEETING

MARCH 13, 2015

MINUTES

Call to Order

Chairman Waller calls the meeting to order at 10:03 A.M. He wishes to send out hearts and prayers to the family of Charles Pratt.

Opening Prayer

Councilman Talee Redcorn asks Eddy Redeagle to deliver the opening prayer. He asks Councilman Yates to read the list of deceased Osages.

Roll Call

Councilmembers present were Cynthia Boone, Joseph Cheshewalla, Galen Crum, Stephanie Erwin, Kathryn Red Corn, Talee Redcorn, Everett Waller, and Andrew Yates.

Guests in attendance were Steve Sewell, Nona Roach, Douglas Boyd, Shane Matson, Linda Heskett, Jamie Sicking, Skip Honeyman, Jinx Geurin, Michael Watkins, Michael Johnson, Rosemary Wood, Don Williams, Florence Trantum, Joyce Cox, April Mitts, Joy Ledbetter, Morris Miller, and Mike Mackey.

BGI

Steven McNamara speaks on behalf of BGI resources. They request an extension for their concession. They ask for 18 months and if it is not acceptable they would like a year. Deputy Superintendent Jeannine Hale states that when the EIS is completed it will help streamline the process. She also states that her or her staff is happy to work with them and if they are interested in permits they need to start working on it. Mr. McNamara says the request at hand is the extension, due to the uncertainty in the county. He also states that they are in compliance with the concession terms. Councilman Yates wants to know what type of drilling obligations they are under. Mr. McNamara states that it was to do a seismic and it has been fulfilled. He does not believe there is a drilling obligation. They state they already done the work over permit. Jeannine Hale states that then they should be on schedule to get it complete by January of next year. Councilman Redcorn wants to know what they are willing to have the drilling commitment be and asks if they are ready to get to work. Mr. McNamara states that if it is something they would like for them to add to the request they are ready to do so. Councilman Yates asks how they hold on to the concession without a drilling commitment. Mr. McNamara says the obligation was to do the seismic data. Councilman Crum wants to know when the seismic data was completed. A gentleman in the audience states that it was in the first quarter of 2014. Councilwoman

Boone states that she would be receptive to one year. Councilman Crum states that he would be pushing for a drilling commitment. Councilman Cheshewalla wants to know what the well they drilled produced. BGI states it was all water. Councilman Yates says that he needs to be prepared with a drilling commitment for Wednesday.

Hard Rock

Steven McNamara speaks on behalf of Hard rock concerning the Signal Hill leases. Hard Rock would like to lease the 6 quarter sections that Chaparral let go. Mr. McNamara states that they are willing to give a 1/5th royalty. However, they would like to pay \$1000 per quarter and they don't have any objection to putting the leases at public auction and they are willing to plug the wells on the property. They are hoping to clean up and reactive the old stripper wells. There are 9 unplugged wells out there. Councilman Yates wants to know if there is any restraints that they can go below the minimum.

Performance

They will give the report on Wednesday.

Ironhawk

Charles Wickstrom speaks on behalf of Ironhawk. He state that Ironhawk bought existing leases from Encana. They closed in July and in January they received the last of the assignments. They are asking that they be granted a one year extension on all the leases. All lease rentals are paid and the next rental payments are due April 9th. Mr. Wickstrom states that their company has approved to pay the \$2 per acre rental payment and it will be mailed into the lock box. Chairman Waller asks if it goes to the Superintendents lock box. She says yes. Councilman Yates wants to know what kind of acreage. Mr. Wickstrom says that it is 1600 that is HBP and the total is 16,000, but he can get an exact number later.

Orion

Skip Honeyman states that he has brought a resolution in before and passes out the same copy again. He states that they have a concession and they basically took down all the leases. They proposed 7 wells to drill. Councilman Cheshewalla asks if some of it is involved in the wind farm stuff. He states yes. Chairman Waller asks if the permits are ready and Mr. Honeyman responds with no they shut everything down. Councilman Redcorn states that he appreciates all the companies coming in and requesting extensions and asks if we are going to be reimbursed for the loss of money. The BIA states that they can't work on processing the EA if they don't have an application on hand. Chairman Waller asks how many they have. Deputy Superintendent states maybe 120. Councilman Redcorn wants to know how we determine the answer. Jeannine states there are drilling permits out there they are just choosing not to drill. Mr. Honeymoon says that they have his number if they have questions.

Spyglass

Shane Matson hands out a flyer for a meeting being held in Tulsa. He then speaks about Spyglass. He seeks to convert the current commitment for the Personia West Concession for the existing 11

horizontal wells to, in 2015, attempt to permit 6 vertical wells and seismic, along with \$64000 prepayment. In 2016 the same \$64000 payment and 4 vertical wells if the lawsuit has relief and the EA allows it. Councilman Crum speaks of a ceiling where the vertical goes back to the horizontal. He also states that he looked it up and oil was at about \$78 a barrel and what could be a floor that could trigger back into a horizontal commitment. Mr. Matson states he won't be here on Wednesday.

Burbank Materials

Burbank Materials will be set for next month until we get the proper documents.

American Environmental

American Environmental will be pulled into executive.

Councilman Crum wants to ask BIA a couple questions. He says that Shamrock want to know if it is alright to do the assignments, and some questions about the map. He states they only sold 40 barrels of oil but estimated 243 barrels of oil produced. A royalty was paid of \$478. He says it is concerning that it wasn't producing much but only 40 were sold. Their numbers could be off but in those three years they should have rectified the numbers. He would like to know if they should be terminated for lack of production and asks Superintendent to check on that. The next question is on HoboStone LLC. He wanted to know if they had done work with them before. Also he wants to know what they are selling it for. Chairman Waller says that the Hobo group came in and talked to them this morning and he told them to go to the BIA and make us a proposal. We will find out more, but they were literally just told to go next door.

Councilman Crum makes a motion to go into executive. It was 2nd by Councilwoman Erwin.

MOTION PASSES: BOONE-YES, CHESHEWALLA-YES, CRUM-YES, ERWIN-YES, K. REDCORN-YES, T. REDCORN-YES, WALLER-YES, YATES-YES

8 -YES 0 -NO

Executive entered at 11:31 A.M.

Motion to exit executive was made by Councilwoman RedCorn and 2nd by Councilwoman Erwin.

MOTION PASSES: BOONE-YES, CHESHEWALLA-YES, CRUM-YES, ERWIN-YES, K. REDCORN-YES, T. REDCORN-YES, WALLER-YES, YATES-ABSTAIN

7 -YES 0 -NO 1 - ABSTAIN

Executive exited at 12:54 P.M.

Burbank Materials will be on the agenda in April or May pending BIA information.

BIA Semiannual meeting

Councilman Crum requests the date for the BIA Semiannual improvement meeting be set. Chairman Waller states that they will talk about it Wednesday.

MOU

Councilman Yates states that he wants to know why it has not been signed. He speaks about the vote being taken and the vote should be taken in the meeting.

Motion made to direct the chairman to sign the MOU by Councilman Yates and 2nd by Councilman Crum.

Chairman Waller asks if they can table it, Councilman Yates has no objections.

Meetings Minutes

Chairman Waller states the minutes are in the book for the council to review.

Adjournment

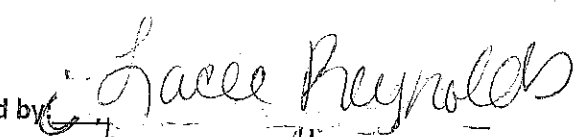
Motion was made by Councilman Yates to adjourn and 2nd by Councilman Crum.

MOTION PASSES: CRUM-YES, ERWIN-YES, K. REDCORN-YES, T. REDCORN-YES, WALLER-YES, YATES-YES, BOONE-YES, CHESHEWALLA-YES

8 -YES 0 -NO

Meeting Adjourned 1:30 P.M.

Minutes Submitted by



Minutes Approved by

