

Osage Minerals Council Meeting Notes

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January 11, 2013

The first OMC meeting of 2013 was a little different today. After the opening prayer, Chairman Galen Crum announced that Rhonda Loftin was now the Acting Superintendent for the BIA at the Pawhuska Agency. He introduced Ms. Loftin, who then introduced the new Deputy Acting Superintendent, Christy Hammans. Chairman Crum then introduced Chief John Red Eagle, who gave a brief speech in support of out-going Superintendent Melissa Currey.

BIA Supervisory Petroleum Geologist Charles Hurlbert then reported that Spyglass Energy was about to pump down the water on their deep well, and that we should know what is there within a couple of weeks. He also reported that Encana had finished the completion work on the 3 Hz wells on the west edge of Pawhuska. They had started the pumps on at least 1 (or maybe all 3) of the wells and 36 hours later, they had to shut them in again because the oil holding tanks were full,-----all 10 of them. This is well over 2,000 barrels of oil. But there was a problem. They were not allowed to load the oil onto the purchaser's trucks. It seems that there was a problem with the BIA division orders (permission to sell which stipulates exactly who gets what percentage of each barrel). It seemed that everyone now knew what the problem was and corrections were being made. They must have worked it out because later in the day I was told that it looked like trucks were being loaded and several were lined up. I don't know exactly who was determined to be responsible for the error. Maybe it was just growing pains. Stuff happens, you know.

Acting Superintendent Rhonda Loftin then reported that she had already begun working on the "access to the leases" issue. Meetings have been scheduled with all parties over the next few weeks, and she seemed confident that this matter would soon be resolved. She also told us that the permit department was caught up now. Several were still pending but they were waiting for more information from the applicants.

Chairman Crum then asked for a motion to go to executive session, and the meeting was recessed.

Having transportation problems needing taken care of, I didn't get to attend the rest of the meeting. I am told that Cynthia Boone proposed a resolution prohibiting spending MC money on funeral flowers for non-Osage funerals. I think this will be voted on next week. According to the agenda, she also had some adjustments to the office policy and procedure she wanted to make. I don't know what they were.

Ray McClain, Osage Shareholder