

Wind Farm Problems, Big Time

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November 20, 2013

On Tuesday, November 12, 2013, a letter from the top management of Chaparral Energy was sent to Acting Superintendent Robin Phillips, with cc's to the Minerals Council, the BIA Regional Director, the BIA's Solicitor in Tulsa, DOI Asst. Secretary Kevin Washburn, and the top management officials of the 3 wind farm companies who are proposing operations within the Osage, complaining that a wind farm construction operation had moved in and was preparing to start up on one of their leases just a few days before. Chaparral was basically asking that SOMEONE please get up there and tell these people that they had no right to be there. Apparently no permits had been issued to remove sub-surface minerals for the foundations and Chaparral listed 6 or 8 solid, sound, and reasonable reasons why this operation would be detrimental to development of the Mineral Estate, which they have every right and duty to protect. They said that 1,840 acres of their North Burbank Unit would be impacted by the wind farm footprint. Further, the letter stated that their CO₂ EOR project was just beginning, and that wind farm operations will directly interfere and conflict with their oil recovery operation, which is expected to pay the Osages \$1.1 BILLION in royalties over the life of the project. Chaparral further stated that they were given only a 2 day notice before construction equipment began arriving on their lease.

Chairman Yates requested, and was approved, to be allowed to attend and speak at a meeting Chief Red Eagle already had scheduled with Sec. Washburn at DOI on Friday, November 15, 2013 at 10:00 AM. He immediately got a phone poll vote of the MC for approval to travel, and was on a plane Thursday.

Attending the meeting were:

Chairman Yates
Ian Shavitz, Atty., Akin & Gump
Chief Red Eagle
Asst. Chief Scott Big Horse
Michael Rossettie, Atty., Akin & Gump
Deidre Bigheart
Sec. Washburn
Kathrine Isom-Clause, Atty.

At the MC meeting today (20th), Chairman Yates told us that the meeting had lasted for 30 minutes and that they had Mr. Washburn's full attention. He was very interested in what they had to say and took notes throughout the entire meeting. The Chief started out with his concerns from the cultural aspect and even got a plug in for speeding up the environmental permits on the pipeline. He then passed it over to Andrew and he went over the Chaparral Energy letter and their concerns with the wind farm and the complications and conflicts of the two industries' infrastructures. He told them that pipelines and electric lines don't mix well. Further, he said it would increase the installation costs and the operating costs of cathodic protection (corrosion prevention) of pipelines and, he pointed out the legitimate potential for environmental problems concerning oil and salt water spills caused by corrosion. He told them that this area is shared with Linn Energy, and together with Chaparral, they combine for over one third of our current total oil production in the county.

He told Sec. Washburn that Chaparral had already invested a quarter billion dollars in their CO₂ injection project and they plan to invest nearly 2 billion more dollars before the project is over. The shareholders royalty share would be over 1 billion dollars over the life of the project. He reiterated that the mineral estate is dominant over the surface rights, but probably what really got the Secretary's attention was the permitting protocol that the wind farm company has totally failed to follow, namely the Sandy Soil Permits that the BIA issues for all roads and bridges constructed in the Osage.

Assistant Chief Big Horse was very diligent in emphasizing the eagle take permits and the nearly 70 cultural sites already identified in the 8,300 acre wind farm project site. Andrew said that the Chief and the Asst. Chief both made excellent pleas for our cause.

He said that Sec. Washburn had asked several very good questions throughout the meeting, indicating that he was quite concerned with the problem. Chairman Yates also told us that they were cautiously optimistic that the BIA might finally step in and take action against this wind farm encroachment on our Mineral Estate. I certainly hope we will see this entire wind farm operation shut down within a few days.

The Chaparral letter to BIA Acting Superintendent Phillips is posted on Osages-You-Need-To-Know.com as a separate document, and can be found directly adjacent to this document.

Ray McClain, Osage Shareholder