

Osage Minerals Council Meeting Oct.12, 2012

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The Osage Minerals Council held their 1st meeting of the month today. There were quite a few unfamiliar faces in the room. The sub-committees of the Negotiated Rules Committee had been meeting with their counterparts from the BIA all week, getting started on new language for updating the Code of Federal Regulations. They had taken a couple of field trips to look over several gas production installations in the Osage earlier in the week and there was another meeting set for 2:30 PM today. Councilman Bear is scheduled to take his sub-committee on Information Technology to Wind River, Wyoming next week to look over a state of the art installation set up by the Bureau of Land Management in a major gas field owned by the US Government. This is just one of the many steps being taken by the NRC to bring the Osage Minerals Estate into the 21st century and it is long overdue.

A representative from a company called Wireless Automation Group was there today, and showed several how their system worked in a practical application. I believe he told me that they had 15 or 20 of our producers as clients already. His system would likely save a producer many miles of driving every day to check pumping units and fluid levels in tank batteries. He said they were discussing ways that the MC could also monitor the activity.

BIA Superintendent Melissa Currey gave a brief report and then fielded several questions from the Council and from Shareholders.

Rob Lyon, President of the Osage Producer's Association, expressed the opinion of the OPA on the Minerals Council's recent query into the possibility of the Shareholders receiving the NYMEX price for our royalty barrels which is several dollars higher than the Highest Posted Price of the area we now receive. It seems that the producers don't think it can be done, and if it is, they are afraid the extra amount will come from their percentage of the oil. That is an over-simplified explanation of a very complicated subject, and I expect this to be discussed many times over the next several months in search of a reasonable solution.

Councilwoman Boone ~~presented~~ made a motion for a resolution to ask the BIA to hire more employees and to ask that the BIA employee temporarily transferred from the permitting department be returned to permitting. ~~The resolution passed 8 yes, 0 no.~~ The motion was seconded, but never voted on.

She then raised the issue of the Council spending too much money on pop, coffee, creamer, etc. for the Council's kitchenette. She said she had refused to sign the check to pay the bill. Much discussion ensued, and in the end, the Council actually spent more time out of this very long day on this issue, than they did on some of the NRC problems.

No reports were forthcoming from any of the standing committees today, and the meeting adjourned about 1:30 PM.

Ray McClain, Osage Shareholder