Marion T. Graham
d/b/a Graham Oil Company
1345 Ballard Road
Hominy, Oklahoma 74035
918-885-2468

October 8, 2012

Mr. Eddie Streater
Designated Federal Officer
BIA, Wewoka Agency
P.O. Box 1540
Seminole, Oklahoma 74818

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OCT 15 2012
#7
BIA WEWOKA AGENCY

Mr. Streater:

I am concerned about the proposed changes for the Code of Federal Regulations (CFR, Title 25, Chapter 1, Part 226) for Osage County.

Concerns:

1. NYMEX and Oklahoma Zone 1 are not feasible royalty pricing mechanisms for oil and gas, respectively because these numbers are unattainable by producers.

2. Early terminations of leases should only be initiated for perpetual non-production-not mechanical, modest production or non-development reasons.

3. Electronic reporting is too burdensome for producers and should be handled internally by the BIA.

4. Gauging, meter calibration etc. should not increase the labor requirements of the producer.

I believe this CFR revision should include more input from the private sector which includes producers, purchasers, engineers, geologists, and other qualified parties.

Sincerely,

Marion T. Graham

Marion T. Graham, Owner/Operator
Graham Oil Company

GLENN SUPPLY COMPANY, INC.
Oil and Gas Producers
P.O. Box 1104
Tulsa, Oklahoma 74101

October 12, 2012

#4
Oct. 23, 2012
BIA WEWOKA AGENCY

Mr. Eddie Streater
Designated Federal Officer
BIA, Wewoka Agency
P.O. Box 1540
Seminole, OK 74818

Dear Mr. Streater:

As an operator and producer in Osage County we are expressing our concerns as to proposed revisions to the Code Of Federal Regulations for the county. These early proposals appear to have a negative affect on the producers and operators. Our concerns are in the following areas:

1. Calculation of royalty payments based on the NYMEX and Oklahoma Zone 1 indexes. This pricing is not *attainable for the producers in Osage county. Contracts we negotiate with purchasers are fair in pricing. It* benefits all to obtain the highest price possible for the product but to obligate us to pay royalty based on pricing that we cannot attain is unfair.
2. Early termination of leases. We believe that this termination process should only begin when definitive non-production is established. Wells can be non-productive for various technical problems and non-production or low levels of production should be scrutinized carefully before terminating a lease.
3. Electronic reporting. Although we do reporting to the Osage through burdensome paper forms and believe some electronic reporting would benefit our situation, we would question the extent of reporting placed on the producers. Further defined guidelines would need to be revealed as to the requirements for reporting.
4. Gauging and meter calibration etc. Most of us already have this equipment in place. Any additional cost with respect to this equipment, whether it be in additional equipment or labor cost, would narrow our margins further and be a disincentive for operating in the county.

We do understand the need to revise rules and guidelines as situations dictate, but to impose items that would negatively affect the companies that operate in Osage county would not benefit anyone. We ask that in your decisions on these items to listen to the people in the field operations and take their input into consideration before imposing unrealistic rules on them.

Respectfully,

Glenn Supply Company, Inc.
Andrew B. Seigel
President