

*To: Eddie Streater, Designated Federal Officer, BIA Osage Negotiated Rulemaking Committee;  
Submitted comments for NegReg Public Comments section and Federal Register.*

### **Causes and Effects of Chronic Problems at BIA-Osage Agency & Solutions**

For twenty five years BIA-Osage Agency has continuously been managed under fear, incompetence and indifference by its Superintendents with few exceptions. Paralleling were periods of good and bad Chiefs of The Osage Nation who were often misguided by BIA or turned blind eye to their failing BIA Trustees of the [ now ] \$4 Billion Osage Mineral Estate.

Estimate 95 % of current and past years of problems were not caused by obsolete Code of Federal Regulations [CFR] but by Superintendents not enforcing CFR rules and regulations, and not wisely using the enormous power and responsibility empowered to their office, or by applying it destructively rather than constructively. Most Superintendents were without any idea of their mission, and absent common business sense.

Common business sense is required to run daily operations jointly with permanent partners The Oil and Gas Industry and Land Owners, and understanding complexities in running the 1.47 million acres oil and gas mineral estate. (See below discussions on related land damage issues including pollution of land and land owner's waters.) To summarize: BIA - a failed Trustee with 'F' on land stewardship.

Personal observations over many years show BIA-Osage Agency's top management's mismanagement created atmosphere of - fear of reprisal, intimidation and favoritism, producing departmental bunker mentality with rank and file BIA employees at Pawhuska. Their mantra is don't question mismanagement acts, enforced by un-written code of ' Shut Up and Don't Report Wrongful Acts.' Resulting in few employees caring about job performance, low morale and often qualified and good conscientious BIA employees quitting or in some cases transferred out and or demoted.

And Federal Court awards show, BIA-Osage Agency also fails in its role of prudent financial trustee for individual Osage Tribal Members. Again the villain is not CFRs but long term broken management. Little positive can be said about its enablers at BIA-Muskogee and BIA Wash DC.

CFRs are not the main problem, and for those distant attorneys advocating that all can be corrected by tweaking CFRs -they do not know or understand the real problems which caused thousands of acres of surface land and ground water polluted, and testimony of experts in petroleum engineering and geological matters show; Osage Mineral Estate's oil and gas reserves orderly maximum beneficial development has suffered greatly by BIA's failures.

In addition to land owners harmed, oil and gas operators have in many cases been subject to costly moronic BIA-Osage Agency decisions, not based on CFRs, but on un-informed orders by BIA Superintendents and Supervisory Petroleum Engineer. Their attitude ' Leave - if you don't like it' and ' We don't care. '

#### **Solutions:**

1. Change BIA-Osage Agency's Superintendents Job Description to 'Senior Executive Service' [SEC] government grade employee with successful petroleum and land management experiences for Superintendent position, and fill current Asst. Superintendent vacancy with person of similar background.
  - (A) Employ new qualified Supervisory Petroleum Engineer and Supervisory Petroleum Geologist.
  - (B) Add higher grade employees to correct all departments chronic understaffing.
  - (C) For Osage Mineral Estate's missing quality accounting & auditing, modernize with private sector software and proven systems.

2. Start \$60-75 million Osage County wide Land Restoration and Plugging Project immediately, funded by BIA and Oklahoma Energy Resources Board (CERB) and EPA jointly for abandoned wells, equipment and site restoration.

Osage producers voluntarily fund the 'Osage County Site Restoration and Plugging Program' similar to other states' use volunteer funding on their successful plugging and restoration programs, managed by Independent Boards and Management. See online examples of CERB, Oklahoma Marginal Well Commission and Pennsylvania's programs. Note: Osage County is not unique in having high numbers of abandoned and orphan wells; Pennsylvania has 12,005 abandoned and orphan wells, Oklahoma' CERB has to date restored, plugged 12,200 plus damaged well sites with estimated 30,000 remaining. Google: Pennsylvania Dept. of Environmental Protection's 'Abandoned and Orphan Wells Program.'

3. BIA fund initial (repeat every 5 years) \$5 million *Study: Damaged Ground Water & Inventory of Surface and Ground Water Resources in Osage County.* Study by USGS & Oklahoma Geological Survey: Scope of Study: (A) Determine land owner's ground water aquifers, alluvial and terrace deposit's contaminated by BIA's failed oversight on petroleum industry activities.

(B) Inventory all surface and ground water resources in Osage County including depths of freshwater and blend-able brackish water.

*Notes: Inventory of Ground Water resources important, should current drought continue. Important to ranchers, all land owners and petroleum industry plus Osage Shareholders. USGS has past valuable studies on Osage County.*

4. Require big and small petroleum industry partner's representatives and big and small ranchers and land owner's representatives officially seated, included in final approvals of any CFR new regulations selected by BIA Rulemaking Committee March 2013. Their omission violates NegReg's written statement for 'Fair & Balanced' committee.

(Note; **Solutions'** Items 1-5. are common sense recommendations not requiring new or revisions to CFRs. It is established fact, 99% of problems caused by chronic under-staffing and poorly qualified or performing top management.)

6. CFR 226.10 Termination of Leases – Revision: Six month period of no documented production prior to taking any termination action. Then a show-cause letter or a meeting with clearly defined procedures to place the lease back in production or face termination. The meeting terms signed off on by the Superintendent and an oil company representative with signature authority to act in that capacity.

7. BIA-Osage Agency & Osage Mineral Council join as associate members (a) '*Interstate Oil & Gas Compact*' ( IOGCC –website [www.iogcc.state.ok.gov](http://www.iogcc.state.ok.gov) ) IOGCC assists member states to efficiently maximize oil and natural gas resources through sound regulatory practices while protecting our nation's health, safety and the environment. The Commission serves as the collective voice of member governors on oil and gas issues and advocates states' rights to govern petroleum resources within their borders.

(b) '*State Review of Oil & Natural Gas Environmental Regulations*' ( *STRONGER* – website [www.strongerinc.org](http://www.strongerinc.org) ) *Stronger* is collaboration process by review teams of members stakeholders and communities to review oil & gas waste management programs agreed to by all participating parties. Workgroup's guidelines on air, land and water quality protection has proven to be invaluable. US Dept. of Interior is associate member.

8. Dangerous Condition Allowed by BIA on all Osage County Oil and Gas Leases: National Electrical Code not enforced, fix that before someone is electrocuted.

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