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United States Senate

WASHINGTON, DC 20510-3603

July 9, 2015

The Honorable Sally Jewell
Secretary
Department of the Interior
1849 C Street, N.W.
Washington, D.C. 20240

Dear Secretary Jewell:

We are writing to express our ongoing concern with the Bureau of Indian Affairs' (the Bureau) management of the Osage Nation's oil and gas mineral estate on Osage County, Oklahoma.

Oil and gas production in Osage County is at the heart of what sustains the livelihood of thousands of Osage Nation tribal members. Osage Nation is unique among the Oklahoma tribes in that it retained a substantial mineral estate following statehood. In recent years, oil production in Osage County has reached nearly 500,000 barrels per month, generating millions of dollars in revenue for the tribe's headright owners. The ongoing economic vitality of the tribe and its members is directly linked to the long term success and productivity of the Nation's mineral reserve. This is a significant resource and should provide decades of opportunity and prosperity for the Nation.

The main threat to this ongoing success story is the federal government, which is charged with protecting the tribe and advancing its economic interests. The Bureau's efforts to update the mineral estate's regulations, which have not yet been implemented, have already had a chilling effect on production. The more these regulations are scrutinized, the clearer it becomes that they are onerous and the wrong approach, of which the Osage Mineral Council agrees. Additionally, the Bureau's efforts to update the program's compliance with the National Environmental Policy Act (NEPA) has nearly brought to a complete halt the drilling of new oil and natural gas wells in Osage County for about a year.

After hearing from our offices, the Bureau took a few "steps" to address our concerns, but the farther these actions are behind us, the more they appear to be window dressing rather than a good faith effort to fix the many existing problems.

The Bureau's actions have had a very clear and negative impact on Osage Nation tribal members, over whom you have a fiduciary responsibility. As the U.S. Senators for the State, we also are responsible for representing all of the interested parties, and the impact of the Bureau's actions (or lack thereof) are extending well beyond tribal members to entire communities and the

way of life in Osage County. Oil and gas producers, their employees and families, are suffering as a result of the current regulatory environment, and landowners regularly face uncertainty over what government entity is responsible for ensuring appropriate regulatory safeguards are being implemented and enforced on the land they rely on to feed and support their families. Further, significantly reduced energy production has depressed tax revenues, to the detriment of local schools.

The new regulations that were recently finalized will not solve any of these problems. In fact, it is our view that they will actually make the problems worse. We are pleased that the Federal Court for the Northern District of Oklahoma blocked the implementation of the regulations until an August 10 hearing date; however, we believe it is imperative, particularly in light of your fiduciary duty to the Osage Mineral Council, that you further suspend any plans to implement or enforce the regulations. We request that you instead meet with us and other relevant stakeholders to craft a solution that is legitimately workable.

Oil and gas production occurs all over our State, and we know firsthand that it can be done in harmony with other interests. It is in the best interest of the Osage Nation to enjoy the same opportunity, and there is no reason this cannot be the case. With your help, we do believe an amicable solution can be crafted, and we look forward to working with you toward that end.

Sincerely,



James M. Inhofe
United States Senator



James Lankford
United States Senator