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**FEDERAL COURT GRANTS OSAGE MINERALS COUNCIL RELIEF FROM
OVERBEARING AND UNSTUDIED OIL AND GAS REGULATIONS.**

Louisville, CO August 18, 2015

On Monday, August 10, 2015, the Osage Minerals Council obtained a preliminary injunction against the United States barring implementation of new federal regulations governing oil and gas development in Osage County, Oklahoma.

The Osage Minerals Council, represented by Fredericks Peebles & Morgan LLP, filed a lawsuit in the United States District Court for the Northern District of Oklahoma to challenge the regulations. The case was consolidated with a case filed by the Osage Producers Association, also challenging the regulations. In front of a standing room only courtroom, Chief Judge Gregory Frizzell granted the preliminary injunction in favor of the Osage Minerals Council and the Osage Producers Association. With the injunction in place, the Osage Minerals Council maintains its sovereign authority to negotiate leases and to determine its royalties. Chief Judge Frizzell acknowledged the United States' fiduciary duty to the Osage and that management of the Osage Mineral Estate must be in their best interest, yet the regulations infringed on the Council's sovereignty and the government failed to conduct an important economic impact analysis before finalizing the regulations.

Osage Minerals Council Chairman, Everett Waller, said the decision to sue was not just for the headright owners, but for the Osage way of life:

“Litigation is about much more than just the regulations, but is also about the obligations of our trustee, and our obligation to protect Osage rights and property for our children and grandchildren. Our elders fought hard to have our rights protected and we have an important obligation to maintain those rights. It was gratifying to hear in the Judge's decision what I feel in my heart. I thank Chief Judge Frizzell for his expertise and wisdom in protecting the Osage and for his strong words acknowledging our sovereign status.”

Chairman Waller offered his gratitude to all headright owners, producers, everyone who came to the hearing to show their support, the Councilmembers, Chief Judge Frizzell and everyone working

in the federal court for the Northern District of Oklahoma, his attorneys, the Osage Producers Association, and Senators Inhofe and Lankford. Chairman Waller also thanked his Creator:

“I’m so thankful that my Creator has kept us on this planet through all that we have been through. I want to give my children something and I want their children to have it too. Our forefathers established the Osage Reservation County as our home and we said that we would never be moved again. I will continue to fight for every piece of our land and sovereignty to honor my Creator and to protect our future and Osage way of life.”

The Federal Court heard testimony from the Osage Minerals Council’s expert, Dr. Russell Evans, who developed an economic model to measure the economic impacts the regulations would have on development and production in Osage County. Dr. Evans concluded that there are substantial and material reasons to believe the new regulations, if enacted, would significantly reduce production and future development in Osage County. The increased operating and regulatory costs and the increased uncertainty of exploration in Osage County would harm the mineral rights owners and the regional economy disproportionate to the simple line item estimated costs of complying with each new rule and regulation.

Paul Revard, a producer and headright holder, also testified that the increases in regulatory costs would force marginal wells into their shutdown condition, resulting in a large loss of royalties for Osage headright owners.

The Northern District of Oklahoma ruled the Osage Minerals Council and Osage Producers Association established a significant risk of irreparable harm and a likelihood of success on the merits, sufficient for a prohibitory injunction on the implementation of the regulations pending a trial on the merits. As a result, the new regulations were enjoined until the Court holds a trial on the merits, which will occur sometime after April 2016.

For questions about this press release, please contact Rebecca Sher, Associate or Martha L. King, Partner, Fredericks Peebles & Morgan LLP at (303) 673-9600.

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