Seminole Nation Business & Corporate Regulatory Commission
Mekusukey Mission
Post Office Box 1768
Seminole, Oklahoma 74818-1768
(405) 382-8617 -:- FAX (405) 382-8611
www.bcrcommission.com

December 7, 2020

[redacted]

Re: Seminole Nation Business & Corporate Regulatory Commission – Oil & Gas Severance Fees/Permits

[redacted]

The Seminole Nation Business and Corporate Regulatory Commission (the "BCR") has been charged with enforcing the Oil and Gas Severance Code of the Seminole Nation of Oklahoma (the "Oil and Gas Severance Code"). Please reference the attached Public Notice No. 2018-01.

Our records indicate that your company, [redacted] is the current/past operator of certain oil/gas wells located in Seminole County, Oklahoma. The Seminole Nation of Oklahoma has jurisdictional areas of surface and mineral interest within Seminole County.

This letter is intended to provide notice to all operators in our area that to actively produce oil and/or gas within our jurisdictional area an Operator's Permit issued by the Seminole Nation is required. If you have an active oil and gas lease in our jurisdictional area a Lessee Permit is required for each lease containing all or a portion of restricted interest. If you are actively producing oil and/or gas within our jurisdictional area you are required to pay a severance fee of 8% of the gross market value and file a monthly remittance report with the BCR.

By operating the wells within the jurisdiction of the Seminole Nation of Oklahoma, [redacted] is statutorily required to pay the Severance Fees pursuant to the Oil and Gas Severance Code. The BCR is required to collect the full amount owed to the Seminole Nation, plus interest, late fees, and any other costs of collection. Please see the enclosed PUBLIC NOTICE NO. 2018-01 for more specific and detailed information.

We have also enclosed the necessary forms required for permits and the monthly

remittance report that must be filed with the BCR.
Please contact the BCR at (405) 382-8617 if you have any questions or require additional forms.

Sincerely,

Mary Mashunkashey, Executive Director

cc: Board of Commissioners
Seminole Nation Business & Corporate Regulatory Commission

SEMINOLE NATION BUSINESS AND CORPORATE REGULATORY COMMISSION
PUBLIC NOTICE NO. 2018-01

SEMINOLE NATION - MINERAL SEVERANCE TAX

During the 2014 Legislative Session, the General Council of the Seminole Nation of Oklahoma passed and signed into law on June 7, 2014, Tribal Ordinance-2014-05 ("TO-2014-05"), also known as the Oil and Gas Severance Code of the Seminole Nation of Oklahoma (the "Code"). The Code established regulatory fees related to the severance of certain minerals and other natural resources from lands held in trust for the Seminole Nation of Oklahoma (the "Nation"), fee lands owned by the Nation, and all other allotted and/or restricted properties, surface or minerals, within the jurisdiction of the Nation (the Code can be found in its entirety online under Title 33 at: http://sno-nsn.gov/government/codeoflaws).

Pursuant to Section 1-106 of the Code, the Seminole Nation Business and Corporate Regulatory Commission ("Seminole BCR") is the authorized agency of the Nation required to carry out and enforce the provisions of the Code, including collecting all fees due to the Nation.

Pursuant to Section 2-101 of the Code, a regulatory fee has been imposed on the severance of any and all oil, petroleum, and/or other crude, condensate, other mineral oil, all gas, natural gas, methane gas, casinghead gas, processed gas, associated liquid product, any other hydrocarbon substance and minerals of any other type from all lands and properties within the Territorial Jurisdiction of the Nation (the "Severance Fee"). **The Severance Fee is due on any and all minerals/substances produced, severed, saved, and/or removed from any lands and properties subject to the jurisdiction of the Nation beginning June 7, 2014**.

The amount of the Severance Fee to be paid and the liability for payment is determined, and becomes effective, and accrues at the time of severance of minerals/substances from any/all lands and properties subject to the jurisdiction of the Nation.

The Severance Fee has been set at the rate of eight percent (8.0%) of the gross market value of all minerals/substances produced, severed, saved, and/or removed from any lands and properties subject to the jurisdiction of the Nation. The gross market value of a substance shall be equal to the price of such substance published on a national index selected by the Seminole BCR at the beginning of each calendar year on the last day of the month during which the substance was produced, severed, saved, and/or removed.

The Severance Fees are due at the time the minerals/substances are produced, severed, saved and/or removed from the lands and shall be payable monthly to the Seminole BCR, on or before the last day of the calendar month following the calendar month for which such minerals/substances were produced, severed, saved, and/or removed from any lands and properties subject to the jurisdiction of the Nation. Any Severance Fees not paid when payable

as provided herein shall incur a penalty of ten percent (10%) of the unpaid Severance Fees due for each month such past due payment is outstanding and shall also bear interest at the annual rate of ten percent (10%) until paid in full. Any partial payments made shall be applied first to any accrued penalties, then to any accrued interest, then lastly to any amounts of past due Severance Fees.

The burden of payment of the Severance Fees required by the Code are on the Operator and its successors in interest, and any unpaid Severance Fees will automatically become a lien upon the interest and/or working interest of such Operator in the well, site, and/or minerals, from were produced, severed, saved, and/or removed.

Pursuant to Section 2-118 of the Code, no royalty interest or overriding royalty interest of any Seminole Nation tribal member shall be reduced or effected in any way by the fees required by the Code. No fees may be shifted or allocated to an owner of a landowner's royalty interest or overriding royalty interest. Any attempts to shift or allocate any fees required by this Code will be liable in an amount equal to triple (3x) the amount shifted or allocated, plus all costs and expenses associated with enforcing this provision, including but not limited to attorney fees and legal costs, in addition to civil penalty equal to the greater of $5,000.00 or triple (3x) the amount shifted and/or allocated per occurrence and per person, plus all costs and expenses incurred by the Seminole BCR in enforcing this provision.

NOTICE PROVIDED by the Seminole Nation Business and Corporate Regulatory Commission on this 7th day of December 2020.

TAXPAYER ASSISTANCE

Additional copies of this notice, forms, or publications are available upon request. If you require additional forms, please email pjackson@bcrcommission.com. If you have questions about this notice or need assistance, please use our contact information provided below:

Mary Mashunkashey, Seminole Nation BCRC Executive Director
Danielle Atkinson, Seminole Nation Land Program Manager
Physical Address:
Seminole BCR Commission Building
Mekusukey Mission
12580 NS 3540 Road
Seminole, OK 74868
2 miles west of HWY Junct (377 And 99) & 59

Mailing Address:
P.O. Box 1768
Seminole, OK 74818

Contact Numbers:
Phone: (405) 382-8617, or (405) 382-8620
Fax: (405) 382-8611