

*Seminole Nation Business & Corporate Regulatory Commission*

*Mekuskey Mission*

*Post Office Box 1768*

*Seminole, Oklahoma 74818-1768*

*(405) 382-8617 -- FAX (405) 382-8611*

*www.bcrcommission.com*

September 24, 2018

[REDACTED]  
[REDACTED]  
[REDACTED]

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

Dear [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,

A handwritten signature in black ink, reading "Mary Mashunkashey". The signature is fluid and cursive, with the first name "Mary" and last name "Mashunkashey" clearly distinguishable.

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 24th day of September 2018.

#### **TAXPAYER ASSISTANCE**

Additional copies of this notice, forms, or publications are available upon request. If you require additional forms, please email [jackson.p@sno-nsn.gov](mailto:jackson.p@sno-nsn.gov). If you have questions about this notice or need assistance, please use our contact information provided below:

Mary Mashunkashey – Seminole Nation BCR Executive Director  
Danielle Atkinson, Seminole Nation Land Program Manager

**Physical Address:**

Seminole BCR Commission Building  
Mekusukey Mission  
12576 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

**FEBRUARY 1, 2018**

**NOTICE**

**TO ALL OIL AND GAS PRODUCERS WITHIN THE SEMINOLE NATION OF  
OKLAHOMA JURISDICTION: SEMINOLE COUNTY**

The Seminole Nation of Oklahoma requires an oil or gas Lessee or Operator to obtain a Permit prior to conducting or continuing any such oil or gas production activities within Seminole jurisdiction. Relevant parts of the Seminole Nation Title 33 Oil & Gas Severance Code, Chapter 3 Section 301 reads as:

**Operating Permit Required**

No Person shall engage in any oil and gas activity, including but not limited to drilling, development, exploration, and/or preparation for such related activities, within the jurisdiction of the Nation without first obtaining and maintaining in good standing an oil and gas operating permit.

**YOU MUST HAVE A PERMIT IN ORDER TO LEASE OR PRODUCE OIL OR GAS.**

The fee for such a permit is \$250.00 (two hundred and fifty dollars) EACH LEASE, and is valid for one year from issuance.

**YOU MUST DEPOSIT A CASH OR POST A SURETY BOND WITH THE BCR TAX COMMISSION;**

The cash or surety bond will not be more than the previous 12-month period of taxes due on each lease.

**YOU MUST PAY OIL AND GAS PRODUCTION FEES MONTHLY.**

The Seminole Nation of Oklahoma levies a severance fee on the value of oil and gas produced from within Seminole jurisdiction pursuant to Chapter two of the Title 33 Oil and Gas Severance Code. The relevant parts of Chapter two, Subchapter A, Section 201 and Section 203 of the code read as follows:

**Section 201 & 203 – Fee Levied on Oil [or] Gas (as the case may be):**

An oil and gas severance fee is hereby imposed ...due at the time the substances are produced, severed, saved and/or removed from the lands... at the rate of eight percent (8.0%) of the gross market value... on any and all oil... 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 products, any other hydrocarbon substances and minerals of any other type from all lands and properties within the territorial jurisdiction of the Nation.

The severance fee is in lieu of any other Seminole sales fees. Stripper wells are not exempted from this fee. However, no fee is due on the production attributable to the royalty interest of an Indian or tribal Lessor of trust or restricted land. The Lessee is responsible for reporting the value of the production and paying the fee every month. Our office will supply you with the forms upon which to report your production to the Seminole Nation Business and Corporate Regulatory Tax Commission.

**FAILURE TO PAY OIL OR GAS FEES MAY CAUSE FORECLOSURE OF THE LEASE.**

Commission representatives may conduct field inspections and view any records concerning production activities within Seminole jurisdiction. You must keep records of your production activities for at least five (5) years. Failure to pay oil or gas fees could result in foreclosure proceedings against the Lessee's interest which may be sold to pay for delinquent fees. In addition, the Seminole Nation BCR Tax Commission may revoke a Lessee's permit to maintain production activities.

**If you have any questions, please call (405) 382-8617, (405) 382-8620 or email SICLRP@sno-nsn.gov**

**Seminole Nation of Oklahoma Business Corporate Regulatory Commission**  
**P.O. BOX 1768**  
**Seminole, OK 74818**  
**405-382-8617**

**APPLICATION FOR OIL & GAS  
OPERATOR PERMIT**  
PLEASE TYPE OR PRINT

Name of Operator \_\_\_\_\_ (Area Code) Phone No. \_\_\_\_\_

Operator Address \_\_\_\_\_

EMAIL ADDRESS \_\_\_\_\_

For Office Use Only

Permit No. Issued \_\_\_\_\_

Application Approved \_\_\_\_\_

Application Rejected \_\_\_\_\_

Application Fee Paid \_\_\_\_\_

Check Number \_\_\_\_\_

Date Permit Issued \_\_\_\_\_

BCR Commission Staff Signature \_\_\_\_\_

**PLEASE ANSWER QUESTIONS FULLY:**

1. Where in the Seminole Nation's jurisdiction will the Operator be producing oil and gas?  
\_\_\_\_\_

2. Have you previously been issued an Oil & Gas Operator Permit? If so provide:  
\_\_\_\_\_

Name Operated Under \_\_\_\_\_ Address \_\_\_\_\_ Permit Number \_\_\_\_\_

4. Indicate in proper space the type of ownership. Individual \_\_\_\_\_ Partnership \_\_\_\_\_ Corporation \_\_\_\_\_ Other \_\_\_\_\_  
(If a Corporation, an Oil & Gas Operator Permit will not be issued until Articles of Incorporation have been filed with the Seminole Nation of Oklahoma BCR Commission P.O. Box 1768, Seminole, OK 74818. If a partnership, an Oil & Gas Operator Permit will not be issued until the Partnership Agreement has been filed with the Seminole Nation of Oklahoma BCR Commission. If the partnership has no formal Partnership Agreement, an affidavit indicating that there is no formal agreement shall be substituted for the filing of a formal agreement). All others must provide proof of ownership.

NOTE: Enter the Appropriate Date: Seminole Nation BCR, Date Corporate Charter Granted \_\_\_\_\_/\_\_\_\_\_/\_\_\_\_\_  
Oklahoma Corp., Date Corporate Charter Granted \_\_\_\_\_/\_\_\_\_\_/\_\_\_\_\_  
Foreign Corp., Date Domesticated in Oklahoma \_\_\_\_\_/\_\_\_\_\_/\_\_\_\_\_

Full name of directors, officers,  
partners, majority shareholders  
and/or controlling members  
(use additional sheets as necessary)

Address

Degree of Interest

5. If you are already engaged in oil and gas production within the Seminole Nation's jurisdiction, provide the BIA lease numbers for the leases and the amount of acres leased on each lease & THE SEMINOLE ALLOTTEE NUMBER AND NAME, AND THE OIL COMPANY NAME FOR THE WELL.  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\*ATTACH ADDITIONAL SHEET AS NEEDED

PAGE 1 OF 3 SEMINOLE NATION OPERATOR PERMIT APPLICATION

**PAGE 2 OF 3 SEMINOLE NATION OPERATOR PERMIT APPLICATION.**

**INSTRUCTIONS:**

**The following documentation must be submitted in full before a permit is issued:**

- 1. COPIES OF ALL BIA-APPROVED MINERAL LEASES WITHIN THE SEMINOLE NATION'S JURISDICTION.**
- 2. PROOF OF AUTHORITY OF SERVICE AGENT TO ACCEPT SERVICE OF PROCESS ON BEHALF OF THE APPLICANT.**

**AFFIRMATIONS:**

The applicant hereby agrees to be bound by the following terms as an operator permit holder of the Seminole Nation:

- 1. The applicant will abide by all applicable laws of the Seminole Nation of Oklahoma.**
- 2. The applicant will file with the BCR Commission copies of those forms filed with the designated federal agencies as specified by the BCR Commission in its rules and regulations.**
- 3. The applicant will stipulate, and consent to the civil jurisdiction of the Seminole Nation and to the jurisdiction of the Tribal Court, and the applicant agrees to accept service of process in matters arising from or related to the conduct of business.**
- 4. The applicant if it receives a summons to appear in any court on a matter relating to a lease within the Seminole Nation's jurisdiction, it will notify the Seminole Nation BCR Commission immediately, and provide the BCR Commission with a copy of the court document.**
- 5. The applicant will respond in a timely manner to requests by the BCR Commission for information sought for establishing whether it follows the terms of the Seminole Nation of Oklahoma Severance Fee.**
- 6. The applicant authorizes the BCR Commission access to its federal and state tax filings as necessary for audit purposes or to determine compliance with the Severance Fee.**
- 7. The applicant authorizes the BCR Commission to conduct an on-site audit of its facilities as necessary for audit purposes or to determine compliance with the Severance Fee.**
- 8. The applicant authorizes the BCR Commission to access and obtain records within its control as necessary for audit purposes or to determine compliance with the Severance Fee.**
- 9. The applicant authorizes the BCR Commission to access and obtain records submitted to or held by the Bureau of Land Management, the Bureau of Indian Affairs, the United States Geological Survey, the Oklahoma Tax Commission, and/or the Oklahoma Corporation Commission as necessary for audit purposes or to determine compliance with the Severance Fee.**
- 10. The applicant authorizes tribal representatives to enter and inspect lease sites and records maintained thereon as necessary for audit purposes or to determine compliance with the Severance Fee.**
- 11. The applicant will return its permit to the Seminole Nation BCR Commission immediately if it permanently ceases business operations and acknowledges that its permit is nontransferable and non-assignable.**

The applicant further acknowledges that neither the Seminole Nation nor the Seminole Nation BCR Commission shall be responsible for defending any applicant in proceedings brought by federal, state, or local governments for the enforcement of tax or other laws.



**PAGE 3 OF 3 SEMINOLE NATION OPERATOR PERMIT APPLICATION.**

**IMPROPERLY SIGNED OR INCOMPLETE APPLICATIONS WILL BE RETURNED FOR CORRECTION.**

**Sole Proprietorship- Owner must sign application.**

**Partnership/association - All partners or controlling members must sign application.**

**Corporation - List all officers and have the signature of one corporate officer on application.**

**Joint Venture - Authorized signatures of all persons and one officer of corporation organizing joint venture.**

This application submitted on behalf of \_\_\_\_\_ has been examined by me, and under penalty of law, I hereby affirm, that to the best of my information, knowledge and belief, it is a true and accurate, and complete application.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

\_\_\_\_\_  
Printed Signature

\_\_\_\_\_  
Seminole Nation BCRC Signature

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

\_\_\_\_\_  
Printed Signature

\_\_\_\_\_  
NOTARY PUBLIC SIGNATURE

\_\_\_\_\_  
COMMISSION EXPIRES ON

\_\_\_\_\_  
PRINTED NAME

\_\_\_\_\_  
DATE

SEAL



Seminole Nation of Oklahoma Business Corporate Regulatory Commission  
P.O. BOX 1768  
Seminole, OK 74818  
405-382-8617

APPLICATION FOR OIL & GAS  
LESSEE PERMIT  
PLEASE TYPE OR PRINT

Name of Lessee \_\_\_\_\_ (Area Code) Phone No. \_\_\_\_\_

Lessee Address \_\_\_\_\_

EMAIL ADDRESS \_\_\_\_\_

For Office Use Only

Permit No. Issued \_\_\_\_\_  
Application Approved \_\_\_\_\_  
Application Rejected \_\_\_\_\_  
Application Fee Paid \_\_\_\_\_  
Check Number \_\_\_\_\_  
Date Permit Issued \_\_\_\_\_

BCR Commission Staff Signature \_\_\_\_\_

PLEASE ANSWER QUESTIONS FULLY:

1. Where in the Seminole Nation's jurisdiction will the Lessee be producing oil and gas? \_\_\_\_\_
2. Have you previously been issued an Oil & Gas Lessee Permit? If so provide: \_\_\_\_\_

4. Name Leased Under \_\_\_\_\_ Address \_\_\_\_\_ Tax/Permit Number \_\_\_\_\_  
Indicate in proper space the type of ownership. Individual \_\_\_\_\_ Partnership \_\_\_\_\_ Corporation \_\_\_\_\_ Other \_\_\_\_\_  
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Full name of directors, officers,  
partners, majority shareholders  
and/or controlling members  
(use additional sheets as necessary)

Address \_\_\_\_\_

Degree of Interest \_\_\_\_\_

5. If you are already engaged in oil and gas production within the Seminole Nation's jurisdiction, provide the BIA lease numbers for the leases and the amount of acres leased on each lease & THE SEMINOLE ALLOTTEE NUMBER AND NAME, AND THE OIL COMPANY NAME OF WELL.  
\_\_\_\_\_  
\_\_\_\_\_  
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\_\_\_\_\_

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This application submitted on behalf of \_\_\_\_\_ has been examined  
by me, and under penalty of law, I hereby affirm, that to the best of my information, knowledge and belief, it is a true and  
accurate, and complete application.

_____ Signature	_____ Title	_____ Date
_____ Printed Signature		

_____ Seminole Nation BCRC Signature	_____ Title	_____ Date
_____ Printed Signature		

NOTARY PUBLIC SIGNATURE \_\_\_\_\_

MY COMMISSION EXPIRES ON \_\_\_\_\_

PRINTED NAME \_\_\_\_\_

DATE \_\_\_\_\_

SEAL