

**OSAGE MINERALS COUNCIL
SPECIAL MEETING
OSAGE COUNCIL CHAMBERS
PAWHUSKA, OKLAHOMA
OCTOBER 29, 2014
MINUTES**

CALL TO ORDER

Chairman Everett Waller called the meeting of the Osage Minerals Council to order at 10:00 A.M.

OPENING PRAYER

Councilman Redcorn gave the opening prayer and read the names of the Deceased Osages.

ROLL CALL

Dawn Haney called the roll. Osage Minerals Council Members present were Cynthia Boone, Joseph Cheshewalla, Galen Crum, Stephanie Erwin, Kathryn Red Corn, Talee Redcorn, Everett Waller, Andrew Yates. A quorum was declared.

General Accounting Office Presentation: Natural Resources and Energy Department, Jay Spaan, Frank Russville and Christine Kehr

Mr. Spaan introduced himself and gave an introduction regarding the GAO and its duties, followed by Frank Russville, Director, GAO, Christine Kehr, Oil and Gas. A dialogue between them and the Minerals Council were had.

Resolution:

Motion to liquidate funds in identified OST accounts with possible loss of interest of principle to be paid to the shareholders in the next payment by Councilwoman Erwin, Second by Councilman Yates.

MOTION PASSED: ANDREW YATES-YES, GALEN CRUM-YES, KATHRYN RED CORN-YES, CYNTHIA BOONE-YES, JOSEPH CHESHEWALLA-YES, STEPHANIE ERWIN-YES, TALEE REDCORN-YES, EVERETT WALLER-YES.

BIA MATTERS: Jeanine Hale, Deputy Superintendent

CHAIRMAN WALLER: Is there any comment you'd like to say on her behalf?

DEPUTY SUPERINTENDENT JEANINE HALE: Well, to say that I'm sure she regrets not being able to be here today. She had a prior commitment that, I think it was a meeting with the Chief, himself, and I just wanted to mention one thing, because I think it's a positive note, even though we don't have a report prepared, it responds in part to something that Stephanie mentioned. We do have a professional Environmental Specialist on our staff. His name is Ben Daniels, and in reviewing all the NEPA guides, and I'm going to give credit, where credit's due, he was able to find a provision where if you can make a finding of facts that indicates there is an emergency, you don't have to go through that whole NEPA process. So, we have created a document where we can make those findings of fact with regard to the permit applications that have come in, and we started reviewing those, and with regard to some that involved the

EPA order, we found that there was an emergency, and those permits were issued last week, and we're still in the process of reviewing the applications that have come in.

COUNCILWOMAN ERWIN: I'm glad, because I told them to 'go renegade' and go do it anyway.

DEPUTY SUPERINTENDENT JEANINE HALE: I think there were eight that were issued last week.

COUNCILWOMAN ERWIN: Can we have the documentation on Mr. Daniels?

DEPUTY SUPERINTENDENT JEANINE HALE: What kind of documentation?

COUNCILWOMAN ERWIN: Well, I just want to know his findings of the provisions finding facts of emergencies. I mean, where did he find this? And if he did, just send us a copy of it.

DEPUTY SUPERINTENDENT JEANINE HALE: Guidance, itself? Sure.

COUNCILMAN CHESHEWALLA: And that will cover pulling unit jobs and workovers and normal operation stuff.

DEPUTY SUPERINTENDENT JEANINE HALE: It would have to be an emergency. We would have to make a claiming of an emergency. So, for example...

COUNCILMAN CHESHEWALLA: ...they need pump changed, if they don't get the pump changed...

DEPUTY SUPERINTENDENT JEANINE HALE: ...it's defined in that NEPA Guidance, which I don't have in front of me, but it's worded like a lot of things are, you know. A threat to public health and safety, environment, and so *(couldn't understand)* EPA where there was a leak, threat to ground water, resources. We made that finding of emergency. So, it wouldn't be a financial emergency, necessarily. It would be another type of emergency.

CHAIRMAN WALLER: You mean there's other emergencies, other than financial?

DEPUTY SUPERINTENDENT JEANINE HALE: Well, there are a lot of people that think they have an emergency that might not qualify.

CHAIRMAN WALLER: Yes, ma'am.

DEPUTY SUPERINTENDENT JEANINE HALE: That's all I'm saying.

COUNCILWOMAN ERWIN: Update on *(couldn't hear the name)*

DEPUTY SUPERINTENDENT JEANINE HALE: The FONSI was posted. I'd have to check on when that was. I got a call from Mr. Lloyd Garrison, this morning, and our Environmental Specialist went up to meet with their environmental person to work out the details on that EA and came up with the right wording, and so, the thing I think that is left to do has to do with the developing basically a stipulation that's going to be attached to the lease that contains the requirement for them to notify us and address those wells, as they approach them.

COUNCILWOMAN ERWIN: It's almost a done deal.

DEPUTY SUPERINTENDENT JEANINE HALE: Yeah.

CHAIRMAN WALLER: Councilman.

COUNCILMAN YATES: Could we, maybe, get that emergency to APD, for now?

CHAIRMAN WALLER: You're reading my mind.

COUNCILMAN YATES: What I'm requesting is an update session map of Osage County...

DEPUTY SUPERINTENDENT JEANINE HALE: OK.

COUNCILMAN YATES: ...with current owners and operators.

DEPUTY SUPERINTENDENT JEANINE HALE: OK.

COUNCILMAN YATES: Thank you.

DEPUTY SUPERINTENDENT JEANINE HALE: Sure.

CHAIRMAN WALLER: Any others? Yes, Councilwoman.

COUNCILWOMAN BOONE: Can you give us an Inspector General Report? I'm sure you've seen it.

DEPUTY SUPERINTENDENT JEANINE HALE: Mm-hmm.

COUNCILWOMAN BOONE: On page 15, it references to the EA being stayed. So, do you have a response for that? It says, "According to the Office of the Solicitor, the Council has filed an administrative appeal, which has consequently been stayed, pending the outcome of the appeal." So, what's the status of our EA?

DEPUTY SUPERINTENDENT JEANINE HALE: OK, it's not the EA that has been stayed. It's the July 15th letter from the Superintendent, asking the companies to prepare the EAs.

COUNCILWOMAN BOONE: Mm-hmm.

DEPUTY SUPERINTENDENT JEANINE HALE: So, the companies are not, at this moment, required to prepare EAs. They may, if they wish to. As I understand it, we've received a couple, and anticipate receiving some more, and we are working ourselves on EAs.

COUNCILWOMAN BOONE: Back to the issuance of that letter in July.

DEPUTY SUPERINTENDENT JEANINE HALE: In terms of who is to prepare the EAs, we, at BIA, are preparing the necessary paperwork.

COUNCILWOMAN BOONE: OK. Alright. Thank you.

Motion to go into Executive Session by Councilman Crum, Second by Councilwoman Boone.

MOTION PASSED: ANDREW YATES-YES, GALEN CRUM-YES, KATHRYN RED CORN-YES, CYNTHIA BOONE-YES, JOSEPH CHESHEWALLA-YES, STEPHANIE ERWIN-YES, TALEE REDCORN-NO, EVERETT WALLER-YES.

EXECUTIVE SESSION – 11:31 A.M.

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Motion to come out of Executive Session by Councilwoman Boone, Second by Councilman Crum at 1:12 P.M.

MOTION PASSED: ANDREW YATES-YES, GALEN CRUM-YES, KATHRYN RED CORN-YES, CYNTHIA BOONE-YES, JOSEPH CHESHEWALLA-YES, STEPHANIE ERWIN-YES, TALEE REDCORN-YES, EVERETT WALLER-YES.

Motion to hire Lou Brock for Executive Administrative Assistant by Councilwoman Red Corn, Second by Councilwoman Erwin.

MOTION FAILED: ANDREW YATES-NO, GALEN CRUM-NO, KATHRYN RED CORN-YES, CYNTHIA BOONE-YES, JOSEPH CHESHEWALLA-YES, STEPHANIE ERWIN-YES, TALEE REDCORN-NO, EVERETT WALLER-NO

Motion to set aside a time to give each of the five EAA applicants 15 minutes in front of the full Council for an interview, and that the Council ranks the interviewees and hand the scores to the Chairman for selection, and Chairman hires the Executive Administrative Assistant by Councilman Redcorn, Second by Councilwoman Erwin.

MOTION PASSED: ANDREW YATES-YES, GALEN CRUM-YES, KATHRYN RED CORN-NO, CYNTHIA BOONE-YES, JOSEPH CHESHEWALLA-YES, STEPHANIE ERWIN-YES, TALEE REDCORN-YES, EVERETT WALLER-YES.

Motion to adopt Resolution regarding Enel's unlawful excavating Osage soil to construct a wind energy project and that through the BIA, they have a trust obligation to protect the trust from the unlawful and unauthorized actions of Developers by Councilman Crum, Second by Councilwoman Boone.

MOTION PASSED: ANDREW YATES-YES, GALEN CRUM-YES, KATHRYN RED CORN-YES, CYNTHIA BOONE-YES, JOSEPH CHESHEWALLA-YES, STEPHANIE ERWIN-YES, TALEE REDCORN-YES, EVERETT WALLER-YES.

Motion to amend prior Resolution to specify that Rick Torix's fee is to be paid out of the Oil & Gas Summit account by Councilwoman Boone, Second by Councilwoman Erwin.

MOTION PASSED: ANDREW YATES-YES, GALEN CRUM-YES, KATHRYN RED CORN-YES, CYNTHIA BOONE-YES, JOSEPH CHESHEWALLA-YES, STEPHANIE ERWIN-YES, TALEE REDCORN-YES, EVERETT WALLER-YES.

Motion to send a letter to attorney Gene Dennison that the Council will let him know that his services are no longer needed on the Wind Farm Project by Councilwoman Erwin, Second by Councilman Redcorn.

MOTION PASSED: ANDREW YATES-NO, GALEN CRUM-YES, KATHRYN RED CORN-YES, CYNTHIA BOONE-YES, JOSEPH CHESHEWALLA-YES, STEPHANIE ERWIN-YES, TALEE REDCORN-YES, EVERETT WALLER-NO.

Motion to inform Tim Dowd that the Minerals Council is interested in meeting with local producers and for them to set up a venue time, etc. by Councilman Redcorn, Second by Councilwoman Boone. After discussion, motion was withdrawn.

OLD BUSINESS

OMC Staff Computers:

Chairman Waller has a letter that is needed to be written to Mr. Kirk, Osage Nation Info Technology, and asking the Council to take some security measures, and open up the computers formerly used by the previous three staff members, and that he will sign the letter.

Phone Poll:

Phone Poll to be read into the record, regarding trip to the NCAI event. Councilwoman Erwin did the phone poll, and found out that Mr. Washburne was not going to have the meeting, as he was returning to Washington, D.C., so the meeting was cancelled.

The poll was for Galen Crum to travel to Atlanta, Georgia for the NCAI to meet with Dignitaries Washburne, Mike Black.

VOTE: EVERETT WALLER-YES, CYNTHIA BOONE-ILLEGAL, ANDREW YATES-YES, TALEE REDCORN-ILLEGAL, JOSEPH CHESHEWALLA-ABSTAIN, KATHRYN RED CORN-YES, STEPHANIE ERWIN-NO, GALEN CRUM-YES. MOTION FAILED

Phone polls will be put under 'New Business' at the next meeting.

Motion to table Telephone Polls for the next meeting by Councilwoman Boone, Second by Councilwoman Erwin.

MOTION PASSED: ANDREW YATES-ABSTAIN, GALEN CRUM-NO, KATHRYN RED CORN-YES, CYNTHIA BOONE-YES, JOSEPH CHESHEWALLA-YES, STEPHANIE ERWIN-YES, TALEE REDCORN-YES, EVERETT WALLER-NO.

ADJOURNMENT

Councilwoman Erwin made the motion to adjourn, second by Councilman Cheshewalla.

MOTION PASSED: ANDREW YATES-YES, GALEN CRUM-YES, KATHRYN RED CORN-YES, CYNTHIA BOONE-YES, EVERETT WALLER-YES, JOSEPH CHESHEWALLA-YES, STEPHANIE ERWIN-YES, TALEE REDCORN-YES.

Adjournment – 1:46 P.M.

Approved:

Chairman

Executive Administrative Assistant