

**OSAGE MINERALS COUNCIL
REGULAR MEETING
OSAGE COUNCIL CHAMBERS
PAWHUSKA, OKLAHOMA
MAY 18, 2016
MINUTES**

Call to Order:

Chairman Everett Waller called the meeting of the Osage Minerals Council to order at 10:03 A.M.

Opening Prayer:

Chairman Waller asked Councilman Talee Redcorn to give the opening prayer.

Roll Call:

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

Visitors to the meeting were Dulliane & Knappe, C. E. Hessert, Jinx Geurin, Jane I Peccy – OST, Joy – OST, Gene Bowline, Rosalind Karlin, Kevin Turner, Jeani Jo Jackson – Bronze Oak, Leslie Young, Beverly Brownfield, Dale Jesse, Jill Jones, Bill Howell, Eddy Red Eagle, Jack Yates, R. Stanridge, Sharon Long, Linda Heskett, Nona Roach, Lesta L. Oliver, Florence Bigheart Trantum and Rhonda C. Wallace.

Accounting: Leslie Young gave accounting report. There is \$32,048.54 in the checking account. There is a drawdown in the next 24 to 48 hours. The Minerals Council has spent a total of \$452,127.61 through the month of April, and still running on track for budget. Councilman Crum asked Ms. Young, regarding a month or two ago, the Council voted to pay half of our outstanding Fredericks, Peebles & Morgan bill. He asked if they have done that yet, possibly \$100,000.00. She has two Fredericks' bills currently, in process, and there is not enough cash, at this time. Ms. Young is not familiar which one would be half. He replied, when they did the vote, that was one of the discussions they would figure out how many services were half available on behalf of what month. He asked if the signatories know, or that they haven't signed off on anything. He went on to say that the \$300,899 bill the Council has here is all that is outstanding, none of that has been paid.

Chairman Waller has a number that has been held up. The Council has pulled it out of the PL account and got it into the overnigher, where the Council does their drawdown. The drawdown they've taken care of their end. There must be a complex issue in some other office with the Federal Government. Councilman Yates said that they did receive a letter from the Superintendent that said it has been approved. Councilman Yates asked if that was going into the Council's new checking account, and Chairman Waller said that it was American Heritage, and they have a CD down there in Bartlesville. Councilwoman Boone, being recognized, said that the bill that Accounting shows is not an accurate amount. The Council just processed two checks for a little over \$100,000, and then, \$139,000 are those two old accounts. Councilman Crum said that the outstanding amount is the \$300,000. Councilwoman Boone said that they were, like, \$67,000. Councilman Crum asked if that would have been taken off Ms. Young's report that the Council has left in the bank before the drawdown. Ms. Young said that it was not, that she explained are those two outstanding payables – March's and April's expenses. It hasn't been processed, as it is about \$115,000, as she recalled. Councilman Crum said the \$300,000 is an accurate amount, what they have not received, and not showing up on the Council's books, as yet. Ms. Young said that is probably right. The drawdown is going into a Bartlesville banking account. Chairman Waller said that goes a separate direction from her office. Chairman Waller said that if it changes, that he would let her know. Councilwoman Erwin said that the Council does not get a report on the CDs, and she would like to have a copy, under the S-510 account. She'd be happy to send another one or have Julia send it.

Ms. Young had one question that she had been asked about the drum keepers, and Chairman Waller said that was on the agenda (Item #9). Councilwoman Boone asked why does the Council need a separate resolution for the drum keepers. Ms. Young said, at this time, their rules had been, prior to, that they had to have receipts prior to receiving their monies. They were following under the Nation, to override that part of it. She's asking for a resolution to go with them, so that they can get it, beforehand. Councilwoman Boone said that she didn't want to be accountable for the monies. Ms. Young said that economically speaking, right now, some are having issues with being able to purchase out of their own pocket, prior to the reimbursement, but she would call her to let her know which drum keeper can't afford to have the drum.

Jim Swan: For December's numbers, he reports that the receipts in January were \$2,340,447.99. The average price for a barrel of oil in December was \$35.23. The average barrels produced in December was 12,156. The payment in March was \$3,500. Gross Production Taxes were \$396,682.98. In 2015, each headright received \$17,070.00. The Gross Production Taxes that went along with the 2015 production was \$1,931,583.05. Total production tax paid to state was \$866.58 per headright. Gross barrels produced in December were 376,995; Royalty barrels, 58,125; Royalty barrels vs. Gross Barrels were 15.52%. Oil royalty dollars collected in January was \$2,069,666. Gas royalties collected was \$185,117. Tank bottoms were \$392.00. That gives a total of royalties collected in January at \$2,255,475.00. Highest Posted Price average was \$28.81 per barrel. In December, there was a bonus of \$1.44 per barrel. In March, our gross production was 370,090.92. Royalty barrels was 56,977, and Royalty Barrels vs. Gross Barrels were 15.4%. Oil royalties was \$2,046,274.72. Tank bottoms were \$342.65. Gas was 156,386.24. The average Highest Posted Price in April was \$37.57 per barrel.

Superintendent's Report: "During the month of April, the Osage Agency processed and approved 14 assignments, 21 division orders and 27 lease terminations. We had one drilling permit that was approved; there needs to be a correction to the report that I provided to you on page 2 under the branch of sub-surface minerals. I apparently have that backwards. It needs to be Approved Work Order Permits – 7; Approved Plugging Permits – 8. The Branch of Enforcement Lease Compliance sent out 19 non-compliance letters, they rescinded a fine letter and we provided an extension letter. During last Friday's meeting, you had asked for more information as to the Chaparral's filing of a bankruptcy, the Lease Management has identified all of the leases with Chaparral, and provided this information to Mr. Charles R. Backs, our trial attorney with the Tulsa Field Solicitor and the Branch of Accounting continues to review the Royalty Report and the Lessees Statements to insure that royalties have been paid up-to-date. Chaparral has not provided us with any further information, as to their bankruptcy plan. Mr. Thomas Fredericks sent a letter to the Office of the Superintendent, asking us to keep the Minerals Council informed, and we will. We informed Mr. Fredericks that we will, as we continue to learn things from Chaparral, we will inform you.

Councilwoman Boone, being recognized, asked what she has done about Linn Energy's bankruptcy. The Superintendent replied, "What we're doing, right now, is identifying all the leases that they have, as well as reviewing their lessee reports." Councilwoman Boone wanted to know what the daily production is, on Linn Energy and Chaparral, and that she, please, not wait next month, for her to give her that report. The Superintendent said, "I'll provide that, directly, to the Chairman with the 'CCT Wall'". The Councilwoman had another question, and the Superintendent said "Daily production, right?", and she agreed. Councilwoman Boone stated that Mr. Winlock gave the Council a report on the Burbank Quarry – his investigation on it – She wants to know if any of the investigation is going to take place on that Burbank Quarry, and if she has plans to do any investigations, rather than what Mr. Winlock reported. The Superintendent replied, "We haven't discussed it, no." Councilwoman Boone wanted to ask Mr. Winlock a question, and the Superintendent complied with that request by saying, "Sure". She, then, asked him if he had a degree in Accounting, to which he replied, "No, I do not."

Councilman Redcorn, being recognized, restated her intent to communicate with the Minerals Council on the Chaparral issue, to which she replied, "Yes". He asked if she assumed that would be verbal or in writing. She replied, "Yes." He, then, said, if it's approved with the Council, he'd like to request that all

verbal go through the Chair, and all written go to our general email, which is minerals@osagenation-nsn.gov, if that is OK. She replied, "Yes".

Councilman Crum, being recognized, said that he was the one that requested receiving a report on the bankruptcies, and what he really liked to know is what the normal development to handle these. For example, she inventories..., and she replied, "...how many leases they have", and he agreed with that. She replied, "Yes". Then, he said that she had discussed that someone else is in charge in looking over that, and he assumed their production reports, and she again replied, "Yes, we're doing that, right now." The Councilman continued that they have a separate legal look at whatever they're doing. He then asked what happens next down the line, if Chuck Babst get involved in any way with the bankruptcy court, what he thinks about how the Council needs to be taken care of. She replied, "Mr. Chuck Babst was the one that notified the Agency that they had filed bankruptcy, and in taking instructions from him, basically asked us to identify the leases and production and stated that, at this point, we'll have to wait on direction from Chaparral to their filing of the bankruptcy. And, he did say that if there was any questions, that Mr. Fredericks can call him and talk to him, further. Right at this point, the filing that has been done by these two organizations, I do not know – I can't say if it is Chapter 7 or Chapter 11. I know that, with Chaparral, Mr. Babst said Chapter 11."

Councilman Crum wanted to follow up the Superintendent, and wondered if, in her conversations with Mr. Babst, that she might be able to ask of him what is involved in expecting the bankruptcy to go through, or is he going to be involved in seeing that the Osage interests are taken care of, and she said, "Yes, it is my understanding that it is." Councilman Crum asked what that would entail. She said, "I'll put this in a response back to the Chairman." He said that would be fine, and that the written items be sent to the same email address that Councilman Redcorn asked to be sent. She said, "And that is Osage...?" The Chairman asked Lacey Reynolds, Executive Administrative Assistant, to assist on that email address, and said minerals@osagenation-nsn.gov.

Councilwoman Erwin, being recognized, wanted an update of the total of all the money we have received in royalty from their rock, she wants it from APAC, Candy Creek, KC, Hinman. She'd like a total of ODOT that they paid them, and anybody else. She sees Schmitt Brothers, Rocky Banks, here, she didn't know who they are, and she doesn't know if they're building a house or what, but it's not much money. If the Council could have that, probably the last year and a half. The Superintendent repeated, "A year and a half?" Councilwoman Erwin replied, "Yes, Ma'am".

Councilman Cheshewalla, being recognized, saying that it's getting on time for gas meter calibrations that he was noticing on the list. He asked if she could get the field section to start checking on the booster stations in their respective areas and give the Council a report back on which ones are active and which ones are shut in.

Councilman Redcorn, being recognized, said that he didn't want to keep going over Chaparral, but wondered if the Council could communicate with the Bureau that they're very interested on keeping that process going and what is going on back behind doors with Chaparral. It's their freedom, their right, to choose what process could see them through these areas of difficulty. He has his own reasons why he thinks it's that way. It's a nation-wide effort by starting from the top, being the main seat or President to put a hurt on conventional oil and gas. But, he would like the Bureau to continue communicating that effort, as he is very interested in keeping that operation alive. What the Minerals Council can do to keep those barrels rolling, the Council might be at an advantage, and what they're going to do behind closed doors to cut and slash to get through these parts, maybe the Council is on the better side of that, and we want to keep that communication going, if that's OK with the Bureau.

Councilwoman Erwin, being recognized, said the Bureau has 46 calculations, and wanted to know what those calculations are on, and what that means. The Deputy Superintendent said, "That's where they calculated – that's the total where they calculated with a gauge, and what they calculated compared to the purchase. 23 with a calculated, 23 with purchase." Councilwoman Erwin asked, out the 23 run

tickets they used those to do 46 calculations, and the Deputy Superintendent said, "Yes, we recalculate the purchases, so that they can compare it". Councilwoman Erwin asked if only 46 out of 2,095 purchase run tickets were reviewed and scanned for the month, and he said, "That's not necessarily for the month. It could have been carried over – the tickets from the previous month, scanned and put into the system." Councilwoman Erwin said approximately that it could be for the month. She then asked if he doesn't look at the reports, and he said, "Yes, but it changes". Councilwoman Erwin then said the calculated tickets is actually 46. With that, she thanked him.

Councilman Cheshewalla asked the Superintendent on the sale of the lease on APAC, the royalties was \$16,159.66. He assumed that was under the old royalty agreement they had and probably not the new agreement they approved last month. The Superintendent said, "That is correct". He asked how soon she thinks the new one will take effect, and she said, "May 1. When we met with them, we agreed to May 1." He, then, thanked the Superintendent. She added, "I was thinking that my letter came over to that effect."

Councilman Crum said, later on, in the agenda, the Council will be talking about semi-annual improvement meeting, Tulsa Station, and he didn't know if the Superintendent was leaving or not, but he suspected how the Council will deal with that, they'll want to find out about Director Black's availability. He didn't want her out of the room, and know that they were talking about that, and they will want that information as soon as possible. Councilwoman Erwin said, "When scheduling with Mr. Black, could you ask him that, if maybe, that when he comes here, he could spend more than an hour. Last time, he only spent an hour. I've already asked him that he needs to spend four, five, six hours – whatever he needs to spend with us to get our work done. Because we still have a report that's not even correct for 2014. They're wanting it to be sent to him. It's not correct. I don't even know who wrote the report. But, it would be nice for him to spend some time with us, instead of coming in for an hour, and then leaving. I'd appreciate that."

NEW BUSINESS:

Grant Application for Energy Programs: Councilwoman Erwin stated that she believed everyone received their emails on that. It was a summary that was sent out. There were also some resolutions that were sent out perhaps as much as two days ago. She didn't know if the Council had read it, but she did. All she knows is that if the Council wants it, that's fine. Just vote on the resolution and vote how the Council wants, be done with it, and move on.

Councilman Crum, being recognized, said that he read the ones they got from the memo. What would be a good fit for the Council would be the one where the Council asks for money to evaluate the potential. That would be a good fit. The other one may take another look at, like it was building some infrastructure to go forward with it. That will take a little more study on his part to do it. He did have a question, in line with what they were talking about with the attorneys on how they got to this point, in terms of somebody asked him to write a resolution, and he can't figure out who it was, but they spent money on it. He feels like they need to get a handle on what they're doing with the projects the Council is giving to the attorneys. He asked the Chairman if he had been the one after that, but he thinks the Council was probably capable of writing a resolution that said the Council wanted to explore this. He is not sure the Council needed legal counsel on that particular one. That wasn't one that was going to be involved, going into it or not. Secondly, the resolution that is naturally making it says that they're going to go down that firm to go down that road on that project. That would be a huge expenditure they'd be taking on. It would, at least, warrant some discussion on that's how the Council wanted to approach these. He's not saying that they don't. He's saying that why don't they discuss it. The Council is spending money. That resolution that was sent had already been asked for from him, last week, and nobody talked about it in the meeting, asking him to do a resolution for the Council. Councilwoman Erwin said she asked him for information. Councilman Crum said that they'll probably see a bill for doing that work that he didn't see any discussion beforehand, and it seems to him a trend that a lot of that has happened. He thinks they ought to get a handle on things, perhaps that they need to, first off, accept the premise before they spend

money on anything else. They have to have the resolution first, and secondly, communicate back and forth so they don't have a lot of people calling up Mr. Fredericks or somebody else without anybody else on the Council knowing about it that we channel those things through the Chairman. We, as a Council, talk about what they want to do, and then the Chairman is contacted or assign somebody else to contact them. That's happened in the past and he thinks that's quite acceptable. But they seem to be doing a free-for-all with anybody that is talking to Mr. Fredericks calls him and they're not going to have the money right now – the drawdown of \$250,000, and \$300,000 is already gone. The Council has a \$300,000 bill and \$250,000 drawdown. There's not much left in the bank, so even with the drawdown to pay all the bills this moment, just to the attorney. He's wondering maybe they should have a process here, and follow it, on how to do that. Chairman Waller asked if that takes care of it, and Councilman Crum said that takes care of that part. Aside from the original question, he apologized for getting off on that subject so long.

Councilwoman Erwin, being recognized, said that she asked Mr. Fredericks to send her some information on these grants, and this is what he sent them, because she thought they needed to look over it, because grants are grants. She wanted to know who the funding agency was, what they could apply for, what they could do to empower the Minerals Trust. They need to have some more of a structure here – a business plan going on. That's why she asked him to send her is this. It didn't have to be a great summary, but this is what they got, and she said that in the meeting, last Friday. She gave it to him, as soon as she got it, and it was sent to him, so she said to do with it what he will.

Councilman Crum, gaining permission from Chairman Waller to answer the question, said that he was fine with the memo. He thought there was already a resolution that asked for him to generate, before they even saw the memo to know if we were at least interested in it. That was his point.

Councilman Redcorn, being recognized, said Councilman Crum has pointed out some things that they need to consider, he believes. The grant application in the email he received, came from someone on the type of grant that was being pursued. Just to refresh everyone's memory, the Council tried this, last year, and he wrote it. This is a tough world here. He's using money from what they're getting paid for already, so there was no cost to the Council, last year. Now, while he was writing the grant, he found out that the other organization in the Nation was pursuing the same grant. Some of them are sitting right here, so here they go. He asked, 'what do they do'. One has to come up with a solution, and try to figure out how to win. In reading the emails from Mr. Fredericks – and he believes Councilwoman Erwin, Mr. Manydeeds is going to be critical and who is going to get this note. They have been in a "tit-for-tat" on the Bureau, and he is the main person that's going to handle this. The feedback the Council got, or he got, was – and he sent it out to the Council last year – is that the Bureau covers a lot of these areas that he has heard in this conversation. He is all for going again. He's not going to say, "Hey, there's free money. Let's go for it." But, he thinks they need to be realistic and let's check out what they said. Mr. Manydeeds had some comments and they need to consider what he said in that last go-around. The other thing was he had to communicate with the grants people at the Nation, because, when it's all said and done, it looked like the Council had two grants going in for the same amount, same tasks, so they had to work to try to get that language cleared up, so both could be successful. He's going to ask the Chairman, the person that is involved with that job, is Jill Jones. If she had any comments, if that's OK with the Council, anything to say on that end. He asked if this is the same grant that she went after, last year. He found out later, after they pursued it. It's just a general comment, and asked the Chairman if that was OK. Councilman Cheshewalla asked if she was awarded the project. Councilman Redcorn said it was neither one. Chairman Waller said to him, "No, sir."

Councilwoman Boone wanted to clarify for the listening public that the information Councilman Crum mentioned that we have a \$300,000 bill for our attorney and a \$250,000 drawdown is incorrect. The Council has two bills in the amount of \$139,000, and is a separate kind of situation. We're not drawing down from the shareholders on that part. Then, Council has, out of the \$250,000, two bills for \$115,000 that will come out of the \$250,000. She doesn't want the public to think that the Council has a bill for \$300,000, and they're only drawing down \$250,000. That's not true.

Councilwoman Red Corn, being recognized, wanted to say that they're going to apply for this grant, and is due on July 8, so time is of the essence.

Councilman Crum said that Councilman Redcorn brought up a good point, when applying for these grants, they need to have a plan, and need to figure out what other entities of the Osage Nation is doing. The Council needs to communicate and talk to each other, to find out what is going on, and there's some of things the Council can go after that would tailor to meet their needs and perhaps others needs better -- someone who might get the funding for continuation of that from other sources. The Council is not constantly in legal battles. He said that they need to start talking to other folks, because it shows up in Washington, they see it's Osage. They're not thinking about two different places, two different things. The Council needs to make sure that they're not competing with themselves, in that respect. He wanted to go back and say that he's not making a judgment on behalf of people doing this. What he is saying, is that it needs to be discussed in a well thought-out manner on how they go about getting this grant.

Councilman Redcorn, being recognized, said that it is his hope that if the Council goes after it, again, they don't get the same comments from Mr. Manydeeds, as they did last year, and that would mean that it would be due diligence beforehand to get this grant going. His goal is that they don't get the same comments back from him, if they go with this grant again. Again, he'd like to ask the Chairman if the Council is going to pursue this grant, he is sure these folks across this room will pursue that same grant. So, they're going to have to have that conversation, anyway, or they're both going to go down, and not get the money. That's what he'd like to hear what Ms. Jill Jones has to say about this process. It is very relevant item on this agenda.

"Thank you, Chairman. I'm Jill Jones, Chair of Osage Nation Energy Services, LLC. Thank you for allowing me to speak today. I'll keep it brief. We did apply for the same grant that you did, last year. We were looking at the Oracle project, we were looking at oil and gas analysis on properties within certain trust properties within the reservation area. At this time, we don't have any solid plans to apply for the grant. But, I think we agree that it doesn't make sense for us to be working in separate directions. I think it does cause confusion, when it goes up to D.C. That's shown by the fact that, I think our rejection letter went to the Chairman, instead of the Chief. It sounded like your rejection letter, so, I think it would be applicable to evaluate what they said last time, and then, maybe move forward in some coordinated manner. We don't have any solid plans just yet, but we would like to definitely coordinate with you, and work together on that."

Councilwoman Boone, being recognized, said, "First of all, I need to clarify we don't have an improvised Chairman, but, be it as it may, I believe I was elected by the headright owners to do whatever is necessary to protect their assets, and to work on their behalf. That's why I'm going to say that it doesn't matter to me what any other entity of the Osage Nation does. I'm looking out for my shareholders, only. Thank you."

Councilwoman Erwin, being recognized, said, "I want to correct somebody. There's two grants -- not just one, but two grants. Somebody needs to decide what we're going to do here. Maybe we need to come up with a business plan, and ask him to develop it -- just a few things, a few line items in strategy."

Councilman Crum, being recognized, said, "Yes, I had a question for Jill, if it's alright for her to answer from the floor. I believe you were successful in getting some sort of a grant that you were working on. Did you get a grant of some sort from...?" Ms. Jones replied, "We applied for these two -- the Tennessee and the DMV, and we did not get either one of those, but we did receive a grant from the State Energy Office, which is also through the Department of Energy, for Strategic Energy Planning, and that was just a facilitator of Strategic Energy Planning Workshop, back in March. We did receive that grant." Councilman Crum said, "OK, so you were successful with the State, but not with the Federal?", and she replied, "Correct." Councilman Crum said, "I just wanted to ask you that. OK, that clarifies that. Then, I had the same thought, as we were having discussions with Councilwoman Erwin. We have two

completely different grant ideas that we're looking at that came from Mr. Fredericks. Both of them, I think, deserve a hard look. One of them, to me, looking over the seat of my pants – looks like a really good fit, too – and another one, little alarm bells were going off on how we can utilize it, how we could apply for it, properly, and be able to show the need, because of our differences between other tribes, and what we already have happening for us with the BIA, they have certain obligations to us that they don't have with other tribes. And so, I think it would take some more discussion – at least on my part – I think that I would want to apply for that particular grant. The other one – either one of them I could easily be convinced, but I think I didn't want to warrant discussion on any other."

Councilman Redcorn, being recognized, said, "If we could, maybe Ms. Phillips could chime in on this, if we do ask Tom in going after this grant, is it possible if Tom can communicate with Mr. Manydeeds, and maybe get some ideas on what Mr. Manydeeds would like to see. Is that possible? What are your comments there?" Superintendent Phillips said, "I am not from the Division of Energy and Mineral Development, so I really can't speak on Mr. Manydeeds' behalf. I'm sorry."

Councilman Crum, being recognized, said, "Mr. Chairman, I'm pretty certain from discussions with Mr. Manydeeds in the past, and what you have had with him, also, that he would be really receptive to us going up there, for sure, as his constituents, and just talking to him about getting some background information on what we need. I think we could get that, whether he would be comfortable with our attorney being there, too – he may or may not – and be up with Mr. Manydeeds. He's got attorneys, too. He'd probably bring one in. But, I think that if we asked him to set up a meeting with him, with some of our representatives, that I'm confident he would meet with us, and maybe give us general guidance. I'm sure he can't make favorites to the Osage, and say 'You say this'. I think he would try his best to guide us in the right direction."

Councilman Redcorn, being recognized, said, "I think the thing we don't want is, after last year, and I'm not sure Mr. Manydeeds is sitting there – he's got two applications from the Osage. Well, that's a deal-killer right there. I think we need to do a little homework up front, if we're going to spend money on Tom Fredericks doing this to make sure we have all those avenues crossed and try to target them. Mr. Manydeeds wants to see. And then I believe our success – I'm hearing ones you might not go after this grant." Ms. Jones said, "We haven't made a decision." Councilman Redcorn said, "OK, so that's still an option. If you do, just like we did last year, I have to talk to the grants folks at the Nation, and try to rephrase both grants to where it'd look like we're going the same thing, the same name. I appreciate the comments, and I've always said this, when I communicate with the Nation, that the Osage headright holders own the Minerals Estate. I think that should be the first statement we say, when we negotiate with anybody. So, after you get that out of the way, you got to say, 'OK, we're looking for the best possible solution for our Osage headright holders', and if we got somebody over here doing the same thing, we need to get into some communication with our attorneys or whatever to get that situation resolved, so we can go forward, get some cash and get some benefits for our Osage headright holders, and I think this case, right here, exemplifies that fact that we've got two people – we've got two entities going after the same dollar, and if you don't talk, you're both going to go down. 'Go down', I mean, you're not going to get the grant money." Chairman Waller said, "Thank you for that clarification."

Councilwoman Boone said, "I have a question for Jill Jones. On this grant that you got, was that for energy saving products, like things – windows or something for your home? Is that what your \$10,000 grant was for?" She replied, "It was for to support a strategic energy plan workshop that was conducted back in March to include all the various entities within Osage. And we conducted that, and we were reviewing drafting a strategic energy plan, right now."

Councilwoman Erwin said, "Ms. Jones, did you say, a while ago, that you applied for the grant, it was to do some strategic planning or restricted property for energy or mineral? What was it, again? Could you tell me, again?" Ms. Jones replied, "We applied for the DEMD grant, which is one of the ones I think you're looking at now. That was for oil and gas analysis on trust properties inside the reservation. The second one we applied for was the SEPG, which was the strategic energy planning grant. We didn't get

either of those. The third one was also restricted to the energy planning crew. The State Energy Office, which is under the Department of Energy, we didn't receive that one." Councilwoman Erwin said, "OK, thank you. Now what did you apply for, Talee?" Councilman Redcorn said, "Same thing, last year". Councilwoman Erwin asked, "On restricted land?" He said, "DEMD? No, ours was the Orphan Well Project. She said, "OK, but was it the same project? You did apply to the same funding agency, but it was for different projects?" He said, "Well, I think components, when I read that application, there was components in, that I thought looked the same as what we were asking." Ms. Jones interjected by saying, "Correct." Councilman Redcorn continued, "And, so that began the discussion. And then, who are we calling ourselves, because I don't want to confuse..." Councilwoman Erwin said, at the same time, "OK, I'm asking. I don't know. I'm asking..." Councilman Redcorn continued, "...and Ms. Jones said that is correct. I think she described that the whole grant, but there was a segment in there that seemed like it was mirroring what we were doing, so we just wanted to make sure that the language looked right, that there are two different objectives, and then, we could go forward with the applications, which I think when I got the results back from Mr. Manydeeds and his comments, and whoever is making the comments, that we've got more work to do. We're trying to communicate with the Bureau. We were unsuccessful." Councilwoman Erwin said, "We failed." Chairman Waller interjected by saying, "'Unsuccessful'...I want to quit hearing 'fail'." Councilman Redcorn continued, "We were unsuccessful," (Again, Councilwoman Erwin said, "We failed.") "And that I think we needed to communicate with the Bureau to see what kind of organization they would like us to see become, and use those comments. I mean I'm not saying I agree with them. I'm saying I don't want to hear them, because we're going after money from you all, and if we do any development for the shareholders for the future, we've got to have communication with the United States and see what they think we...I'm not saying I agree with it. We happen to agree on a lot of things, but we got to talk. And that's going to be the key to our success in the future with the United States, as the Osage Headright Holders. We can't sit back here with our hands over our ears, and I don't want to hear anybody 'this and that'. You got to be successful. So we're going to attack with who we're representing, and that's the Osage Headright Holders."

Councilwoman Erwin, being recognized, said, "I'd like to make a suggestion that you may be called Tribal Energy Minerals and Development Program, I think they're out of Colorado. They try to be more helpful...the people that are actually putting it out. Maybe you can talk to Mr. Manydeeds. Those are the people who are putting it out, you need to communicate with." Councilman Redcorn replied, "I would encourage you – You're the one that's bringing on this resolution, and you're making the recommendation that we go further. So, I recommend you make the communication and I also recommend that you look at what the comments were from Mr. Manydeeds, last year. So, I'm not making the action this year, and going – You are. And, I'm going to support it. I'm going after it, but I think you do a little more homework, and present it to the Minerals Council. That's my thought." She asked, "Well, can you give me what he sent you last year? Was it...I never got any of the...", and Councilman Redcorn replied, "I sent it out last year to all the..."

Councilman Crum, being recognized, said, "I have one comment, and then, I'd like to make a proposal on this where you go forward on it. First of all, the comment is, all of us received an invite to come to that workshop that was put off, and there was actually a couple of different phases: one for elected officials, and then one for the department heads, I think it was. And it was this kind of scope made for tracking grants that were owned by the Nation. I actually attended the first session of it. Well, I don't know, but it was interesting. The second thing I'd like to do is we're up against the gavel a bit on time here with that being in July. So, we don't have time to talk about it again in the June meeting with Robin rushing out of the June meeting, anyway. I would very much like to make a proposal right now that the Chairman talk to Mr. Manydeeds, and I know he will accept your phone calls from you. He will do that, and then we sit down and whatever can be worked out for us to get the information. If we need to send a couple of people up there to talk and talk to whoever else, I'm sure Steve does it. If you have thoughts of somebody else to set up a meeting with those folks. We can go up there to find the scope and get some inside track. But we need to do it, right away, so we can then decide what we want to go after, and do it. If we can do it on the phone, fine. If we can't, you go up there and take somebody with you, take Talee, take me, take --, I don't care. But, go up there and talk. **That's my motion that we set up a**

mechanism to do that, some sort of policy as soon as possible.” Councilman Redcorn said, “I second.” Chairman Waller said, “I have a motion on the floor by Councilman Crum, second by Councilman Redcorn to make the possibility to go actually in to talk to Steve Manydeeds and go after those grant applications and the effort it’s going to take on behalf of our Council.

Councilman Cheshewalla asked, “Motion made and seconded?” Chairman Waller replied, “Yes, sir.” “Open for discussion?” “Yes, sir. Discussion.”

Councilman Cheshewalla said, “I’m just going to – I sit back and I listen to this, and I can probably, if Council wants to pursue these two grants I can probably support either one of them. I think one really does fit for the Osage Minerals Council, and that’s the potential with energy development in the Osage Mineral Estate. I believe that one I really can get behind in this Minerals Council. Now, this one on the business entity structure, organizational structure, related to Energy Resource Development of the Mineral Estate, I think that’s a better fit for the long run, that’s Osage Nation Energy Services. But, you know, that’s just my personal thoughts. That’s just how I feel. Now, if the Council decides to go ahead and pursue both of them, I’ll support the Council on that. I think one, for sure, is all we need. That’s my thoughts on it.”

Councilman Crum, being recognized, said, “I’d like to make a quick amendment to my...and that goes without saying, but we’re tabling this, today, until we get the resolution that was sent to us by Tom. We’re tabling that until we conduct that meeting.” Councilwoman Erwin asked, “Do we need a motion to table it?” and Councilman Crum said, “That was my motion, and I amended my motion to say we table this, and then we do that. I’m amending my motion.” Councilman Redcorn, being recognized, said, “Mr. Chairman, I think we should continue pursuing the grant. Feedback with Mr. Manydeeds would be great. So, the amended motion I don’t agree with. I don’t think we’ve got enough time after June to put together a solid grant in July. So, if anyone else wants to second that amendment.” Councilman Crum said, “It’d have to be you.” Councilman Redcorn said, “Yeah, it doesn’t have to be me.” Chairman Waller said, “No, it does.” Councilman Crum said, “It does have to be you. That’s what I said.” Councilman Redcorn said, “Oh, it does? OK, I don’t support the amendment. I do support communicating with Mr. Manydeeds, as quickly as possible.”

Chairman Waller called for the question.

MOTION PASSED: CYNTHIA BOONE-YES¹, JOSEPH CHESHEWALLA-YES², GALEN CRUM-YES, STEPHANIE ERWIN-YES, KATHRYN RED CORN-YES, TALEE REDCORN-YES, EVERETT WALLER-YES, ANDREW YATES-YES

Councilman Crum, said after the vote, “Now we’re going to deal with what we’re going after.” Chairman Waller asked, “Please put it in the form of a motion.” **Councilman Crum said, “I move that we, at this time, apply for the one that is for Mineral Development Program to evaluate and explore through a feasibility study that has potential opportunities in our development in Osage. That that’s the one of the two in front of us that it’d be good for.”** Chairman Waller said, “I need a second on that.” **“Second,” said Councilman Redcorn.** Chairman Waller then said, “I have a second motion on the floor. **Motion by Councilman Crum, second by Councilman Redcorn to go for the first application that the Council has recommended. Is there any discussion? Let’s call for the question.”**

¹ Councilwoman Boone said in her first vote, “I think there should have been two different motions made. Tabling is one thing. There’s two. There’s two?” Councilwoman Red Corn said, “No, there’s one.” Councilwoman Boone continued, “I thought we amended it to make one amendment.” Councilwoman Erwin said, “But he took it off.” Councilwoman Boone said, “He took it off. So, we’re voting on allowing our Chairman to call Mr. Manydeeds? Just for the sake of moving forward, I’m going to vote ‘Yes’, but I think it’s silly that we have to have a resolution to have our Chairman call somebody. But, my answer is ‘Yes’.” During the vote,

² Councilman Cheshewalla said, “I guess we’re approving travel, if necessary?” Councilwoman Erwin said, “Well, you didn’t say that in the motion. Well, I didn’t hear that part.”

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

Chairman Waller said, "Thank you. Open the floor up. Would you like to take care of another motion?" Councilman Crum asked, "Do we need to, go after the second one? I don't have any, so I'm not going to make that motion." **Councilwoman Erwin, being recognized, "I'd like to make a motion that we go after this, to establish a business entity structure and/or organizational structure related to energy source development. Just call for the vote. Let's just get it over with."** Chairman Waller said, **"Just a second. I have to have a second,"** which she said, **"OK"**. Chairman Waller then said, "Open the discussion." Councilman Crum said, "I think that we can do better by concentrating on the one that's the best fit for us. This other one is going to take a lot of work in terms of us knowing what we're actually wanting to do, and be with it, if we get it, and have a well-defined plan on what we're going to go with it. It would be hard to get a proposal done in that time, and I'm not sure that, sometimes, you catch something you don't want, and I think that one might be that way."

Chairman Waller said, "Any other discussion? Go right ahead, dear." Councilwoman Erwin said, "Well, I think the same situation ought to apply, when you talk to Mr. Manydeeds about it, and go ahead and if you think there's a fit for us, to go ahead and pursue the grant. That'd be up to you." Chairman Waller said, "OK, let me talk. Directly out of Washington, we can do this, but you've got to believe in yourself." She said, "OK". Chairman Waller asked, "Any other discussion? Call for the question."

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

U.S. Extractive Industries Transparency Initiative: Chairman Waller said, "I'd like to move on, under the next agenda item. This is going to be a lot easier. We have a request from the United States Government. The U.S. Extractive Industries Transparency Initiative. I'd like for someone to make a motion that we approve inviting them down. They will bring a team to help us take care of issues that concern the Osage Mineral Estate. It's directly involving Washington, and other tribes are involved in it. We've set at home too long. I'd like a motion, let's get it." **Councilwoman Erwin said, "I make a motion that we invite them down to hear of their plans, their strategy, whatever they want to bring..."** Chairman Waller said, **"They're going to bring the whole team down."** Councilman Erwin said, **"OK"**. **Councilwoman Boone said "I second it"**. Chairman Waller said, "I have a motion on the floor by Councilwoman Erwin, second by Councilwoman Boone. Open for discussion."

Councilman Crum, being recognized, said, "I'm a little confused. Are we committing ourselves to be a part of the initiative, or are we just bringing somebody in to develop the factor?" Chairman Waller said, "I would like us to have them come down and tell us, because, actually, I've talked to Mr. Gitner, and nothing goes out until we have a resolution that sends it." Councilman Crum said, "So, we can listen to the plan, and then we still have to have another vote for..." Chairman Waller said, "This is so I can get it out of here. They need something from us until then. We're a resolution government. Nothing's going out until I sign it on y'all's behalf."

Councilman Redcorn said, "I just want to make sure that the language does and reflect we're not approving anything; that we are very interested in what this group has to offer. Something may be a new frontier for the Osage Headright Holders, which I think would be a good thing. So, I approve this, but I want to caution we're not agreeing to anything, only that we're interested in hearing what they have to say." Chairman Waller added, "At no cost to us." Councilman Redcorn repeated, "At no cost to us." Chairman Waller asked, "Any other discussion? Call for the question."

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

SAIGE Training Program: Chairman Waller said, "Item C, Training Program." Councilwoman Erwin said, "We got a new mail, and I put it on the agenda, in case anybody would like to go, that if you wanted to go, I'm sure there's a cost to it, that you might want to get approval to have that cost paid for you. I've sent it out to you all. I particularly don't want to go, but the rest of you might. I don't know if you've taken the time to review it, but I think Chief Standing Bear will be one of the speakers, so will Jill Jones. We'll have Vann BigHorse...I mean there's a lot of people on here that you might want to go hear speak, and I think there is a fee, because it says there's a \$100 registration discount for tribal and government employees and officials. **So, if you all want to go, I just put it on the agenda, so if somebody would like to go, we could pass a resolution for you to pay registration. Thanks.**"

Chairman Waller asked, "Is that in a form of a motion?" Councilwoman Erwin said, "Yes." Councilman Redcorn said, "I'll second it." Chairman Waller said, "Motion by Councilwoman Erwin, second by Councilman Redcorn. You can take advantage of the training program. Any discussion? Call for the question."

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

Bronze Oak – Sandy Soil Permit: Chairman Waller said, "Thank you. I'd like to switch gears a little bit, and talk about Sandy Soil program. You have information on it. This is in cooperation with the Nation. I'd like to call Jeannie Jo Jackson, please? Thank you for waiting."

Ms. Jackson said, "Good Morning, Jeannie Jo Jackson with Bronze Oak. Do you have any questions?" Councilman Cheshewalla, being recognized asked, "Did you contact the BIA and find out what permits you were required to have, moving forward?" Ms. Jackson replied, "I haven't talked to them, but this is the only permit I understand what I need. We were told by Roads Department, Yes."

Councilman Crum, being recognized, said, "I believe I'm getting ready to say what I heard you say. We're not giving you permits, and then that triggers me to say that we could waive the permit for this. So, we want to make sure we're clear on that, and this was for the project that the Nation is doing – you guys are working on down here?" She said, "Correct. There's a parking lot." Councilman Crum said "OK."

Chairman Waller asked "Any other discussion?" Councilman Cheshewalla asked "These are government vehicles, aren't they?" Ms. Jackson said, "I do not know." **Councilwoman Erwin said, "I was going to make a motion that we make a resolution to waive the permit for the project of the Nation, on the parking lot right across from the graveyard." Councilwoman Boone said, "I second." Chairman Waller said, "I have a motion on the floor by Councilwoman Erwin, seconded by Councilwoman Boone that I'm glad you take the letter to waive this permit, restrict fully of the Nation. Any other discussion? Call for the question."**

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

Chairman Waller said, after the vote, "We had different ones for the same projects, but I want, specifically, to separate the contractors out on this group and take care of it. Thank you, dear." Ms. Jackson asked, "Could you instruct me on what I need to do with it?" Chairman Waller responded, "You get with this young lady, right here, and then we'll be set." Ms. Jackson, closed by saying, "Thank you, very much."

Biannual Consultation Meeting Dates: Chairman Waller said, "With that, I'd like to turn over to Biannual Consultation Meeting Dates. Councilman Crum?"

Councilman Crum began by saying, "It came to my attention that we have a unique ability among Indian Tribes to be able to meet in consultation with a high-ranking member of the BIA, twice a year. This is something that was in the settlement agreement that no Indian paid for, and I think we need to make sure that we take advantage of that to the fullest, as possible. I remember when we were out in Colorado, at that Ute Energy Conference. I was struck by the Ute group that was putting that on, and said that they had never even seen their Area Director in their office, and I thought we can access, several times a year during that time. He's not required to be here, but he has to send somebody, a decision-making-type person here. So, half a year's about gone, and I would think we should make haste in setting up a day for that. We could have actually asked, back in January, the request for the Director Black was that it could be set up for both dates at once. So, I think that, at this point, we probably should entertain that, to do one as quickly as possible. June, we understand, is tough for us. If Mr. Black's schedule is that he would like to come, and that's the only time he can make it happen in June or July, then we will look at the dates early in the week, there's something that we can do. Later in the week, you know, get stuff for them that we can download. But, my hope is that, I guess **I'm making a motion, is that we institute the process of setting up the first planning meetings as soon as possible, and then try to set a date for the second one, probably November, something like that. It comes to mind to me if somebody else has a better idea, that we do that.**" Chairman Waller said, "I need a second". Councilman Yates said, "Second". Chairman Waller said, "I have a motion on the floor by Councilman Crum, second by Councilman Yates to set up our biannual consultation meeting dates as required. We are going to call the director and see what his schedule is like. Any other discussion?"

Councilman Crum, being recognized, said, "I'd like to put an add-on to that, concerning the timeframe, considering that we're really not doing phone polls, we give you the authorization, right now, to set up those dates, that the Chairman has the authorization, when he gets the information to set up the date."

Chairman Waller said to Councilman Yates, "Councilman, would you be OK with that in June?" and he replied, "Yes." Chairman Waller asked Councilman Cheshewalla, "Any discussion, Joseph?" He replied, "Our off-week is a week after Gray Horse, but the only thing about falls during SAIGE training, so that's our one week, and then, it's pretty much booked up if some of us are going to go to that training. Then we'd be looking at July 4th or whatever the holiday weekend after. That was the last week in June, through June 30th which is a Saturday, so that last week, maybe."

Chairman Waller called for the question.

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

After the vote, Chairman Waller said, "As soon as I hear back from him, Lacey will send it out to each and every one of you to have your schedule reviewed. Just a couple of topical items, and then we'll go from there."

Devon Energy: Chairman Waller said, "As an effort today, the next item is Devon. They requested that we go into Executive Session to discuss what they have completed, yesterday. I'm going to ask the Council if that could be allowed. **With that, I'd like to ask for a motion to go into Executive Session. I have a motion on the floor and a second.** Discussion? Councilwoman Boone asked, "Were we going to put Chaparral in Executive as well?" Councilwoman Red Corn said, "They're not on the agenda." Councilwoman Boone said, "I'm just asking, are we going to?" Chairman Waller said, "I would ask that we take Devon in, first, and then – I would almost want to have someone else here when we hear that side of it. In front of them? Not, unless you just want a short report. They're not going to be able to tell us something I haven't heard. Are there any other concerns by the Council? Would you like to go

ahead...?" Councilwoman Erwin asked, "Could we just ask them, since they are here, if they'd mind?" Chairman Waller replied, "Ask them." She asked them, "Would you mind? Do you have something than what we discussed, today, that you could tell us in Executive?" Devon's representative said, "We'd like to give you an update on both our impression on Osage County, and answer some questions on our finding." Councilwoman Erwin said, "OK". Chairman Waller asked, "Council, is that OK? Sir, you'll be Number 2. With that, we have a motion on the floor. Any other discussion? Call for the question."

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

EXECUTIVE SESSION (after ten-minute break) – 11:23 A.M.

Motion by Councilwoman Erwin, second by Councilwoman Boone to come out of Executive Session. Chairman Waller said, "I have a motion on the floor by Councilwoman Erwin, second by Councilwoman Boone to come out of Executive Session. Without any discussion, call for the question."

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

OLD BUSINESS:

After the vote was taken, Chairman Waller said, "With no resolutions coming out of the Executive Session, we just have comments from two of our companies with an update for our Council. I'd like to go into Old Business.

2014 Biannual Consultation Meeting Report: Councilwoman Erwin said, "OK, I've been asked to bring this in front of Council for their approval. I can't approve it, because I've got too many errors in it. My problem is that I can't find out who made the report. I wasn't on the Minerals Council at that time, but I know there's errors in there, because I was at the meeting."

Councilman Crum, being recognized, said, "I was at the meeting with Councilwoman Erwin. I want to add it into my book today, perhaps it was taken out, because I can't find it. But, when I looked at it quickly, it looked to me like you're doing a meeting that was not part of our cultural meetings, because it had people that weren't in our cultural meeting. I think it included a meeting that perhaps the Executive Branch had with the BIA, and when they put the report together, they included some stuff that wasn't right. Like I said, I hoped to be able to be certain of that serving of some stuff. One of the things that I wanted to point out that this meeting, we normally have attorneys from both sides, and we failed to have on them there for the last meeting of the previous Council. So, we were relying on our memories and the people from the BIA to make up the report. The way we've done it, in the past, was the two attorneys got together and made the report, and then if we had a dispute on it, there was a dispute on it, but I agree that the report, as written, is not a true and factual..." Councilwoman Erwin said, "That's correct. I don't know where to go, or how to..." Councilman Crum said, "Well I think we ought to back up..."

Superintendent Phillips was recognized, "I don't have the report, but I'll be more than happy to find out who submitted that report." Chairman Waller said, "Then, I'd like to table it, except, Councilman, you go first."

Councilman Cheshewalla, being recognized, said, "...We were supposed to have had lawyers present and to record everything." Councilwoman Erwin said, "OK". Chairman Waller said, "I'd just like to table that, until we get a chance to review it with Superintendent to correct and get that version in..." Councilman Cheshewalla said, "As I recall, the Council for the Government at that one was Vanessa." Councilwoman Erwin concurred, "Yes, it was Vanessa." Chairman Waller said, "Let's get her name."

(Laughter and noise blocked some of this part of the conversation) One Councilman said, "He had the right stuff!" Chairman Waller said, "Yes, sir, we understand. If it's OK with Council, let's table it. Let's get a better..." Councilwoman Erwin said, "I mean, I don't see why we would want to approve it, if it's not right." Many of the Council then said, "Right."

Phone Polls: Chairman Waller said, "With that, I'd like to move on to the next general item. Phone polls, Councilman Crum." Councilman Crum said, "I brought this up, the last day, and after this we put it in discussion, we were having, it has to do with the way we phone polls seem to proliferate in all the time. There were things I can't see that they are necessarily that pressing. So, my idea is, and I'll be wishing to make a proposal right now, that we do away with all phone polls; that we, as far as the bolts of that kind of thing, I suppose somebody called me for their opinion, but it doesn't mean it's a vote. What we have to do is – The mechanism we have is to call a special meeting, and then, of course, to do a better job when we set up something that happened during the month, 'til where we have the mechanism of what comes up. After today, some of the things that may give you the authority to make a decision and go forward, we don't have to have a special meeting those days because you did that. If we do a better job of that, and we can have our business in front of the public and not be having phone polls. What I'm more afraid of, is the discussion. If we don't have the discussions when you do those, I won't know what other people's ideas are. That's my motion to do away with them." Councilman Redcorn said, "I second."

Chairman Waller said, "There's a motion on the floor by Councilman Crum, second by Councilman Redcorn. Councilwoman Erwin?"

Councilwoman Erwin said, "Well, I think that these phone polls, they give us an opportunity to carry on our business. You know, business happens here every day. Just because you don't want to come in two days a month, doesn't mean that we can hold up on the business. You're getting paid to do a job, and to me, you're not doing your job when you only come in two days a month. *(Gavel was hit by Chairman Waller, at this point.)* We need to take care of our business day-to-day. It's a \$3 Billion estate or more. We need to take care of our business, and if something happens that we need to do a poll vote, I think we need to do it."

Councilwoman Boone, being recognized, said, "All this happened, that I recall that our attorney has called down here. He wanted a letter submitted as soon as possible to the Bureau of Indian Affairs. So, I initiated a telephone poll where we took a vote. Now, not having a telephone poll is a Nation issue. Right now, we have a legal opinion from our attorney that says, *'The Osage Nation Open Records Act does not apply to the Osage Minerals Council. The Osage Nation Open Meetings Act does not apply to the Osage Nation Minerals Council.'* Because the Open Meetings Act does not apply to us, there's no prohibition on the Minerals Council from taking telephone poll votes on certain matters. However, the Minerals Council should have followed the Policies and Procedures conducting a poll vote. We have a copy of the Policies and Procedures that states, 'In the event time does not permit the calling of a special meeting, Council members may be polled by telephone on a specific manner. Votes are to be recorded, and a member of the O-S-A-H-E...' – I think our staff meant to say it was "Osage" – '...Minerals Council can initiate a telephone poll on any issue related to Minerals business.' We have business that comes up all the time, unexpected, where it's necessary that we have to do a telephone poll vote. We have a legal opinion from our attorney says we can have it, and I am not willing to go against my attorney's advice that we can do this. We are a separate entity. The Constitution even says we can make our own rules, and I believe that, because we are autonomous, we can make our own rules, and that's why this telephone poll is on our Policies and Procedures, and that's why our attorney has given us the go-ahead to do telephone polls, and I do not want to conform this Minerals Council to Osage Nation projects. Thank you."

Chairman Waller said, "Actually I had the floor to Councilman Yates, then I'll go right back to..."

Councilman Yates, being recognized, said, "Mr. Chairman, a few meetings back, I discussed my disclosure to these secret phone polls. My problem with them is, they are major decisions that need to be made out in open meeting, so that everyone can hear what everyone else is thinking or saying, or how

they feel on the subject. This simply brings in the minutes a 'yes' or 'no'. It doesn't really reflect on the thought process on how that was evolved, and you caught me off guard, that one day, you asked me, you said, "Well, how come working with you, as Chairman, and not Matt?" I think, in that time, we use it only for non-important-type...Decisions were made, just like paying a bill, pay a lawyer or something that really didn't require...It wasn't really important, or germane, over... It needed to be really scrutinized by all shareholders, you know. I think this is just a way for certain members to get a vote approved without really discussing it in front of the public." Councilwoman Erwin, asked, "Well, how many polls have we had?" Chairman Waller said, "Hang on, let him get it done." Councilman Yates continued, "I don't know how many polls we've had. Councilwoman Erwin said, "Not very many." He continued, "Well, I know three of them that I have a count in." Councilwoman Erwin replied, "You don't answer your phone." He replied, "I have Caller ID. It's never on there. Look here. I got a text message, and I contacted the Chairman, and told him my vote, and that was reflected in the vote. So there's three secret phone polls that I have had a phone poll in." She replied, "Is that like the clandestine meetings in Hominy?" Chairman Waller interrupted by saying, "Hang on, hang on. I did catch him on the...They didn't put it in. But I actually put yours and his in the vote on that last sheet that I had to fill out. She wasn't sitting there. But, yeah, I'll put it in. That organization in that spot. Are we done?"

Councilman Yates replied, "You know, if we, at any time, call a special meeting, that it's important to the shareholders, I think you should call a special meeting, and we can all probably show up. I don't know if Galen would have to do it in a phone conference. But I think anytime there's a serious or important decision that needs to be made, that we can be called together pretty quickly to have a meeting. Now, as for the letter that the lawyer wanted right away, again, that was the last vote, and I said we're having an open meeting in three days, why not just wait until then?" Councilwoman Boone asked, "Is that as soon as possible? Three days?" Chairman Waller said, "Ma'am, he actually called me and told me the reasons why of his vote, that moment." Councilman Yates, added, "And doing it in the open." Councilwoman Boone said, "There's no secret about a telephone poll, Andrew, and I'm able to think on my own." (*Gavel is rapped several times*). "...I can think on my feet. I don't need to have you guys tell me how to think!" Chairman Waller continued, "Whoa! Whoa! Whoa! Let me get done. Let me get done, and be recognized."

Councilman Yates continued, "Again, I think this is a way to start an issue of coming out and discussing an open meeting and being able to defend your thoughts or your decision-making. Not just a secret phone poll."

Chairman Waller said, "Now that when you're done, I'm going to call on one more Council, and I only want one of you. Which one do you want?" Councilwoman Boone, said "I'll do it."

Councilwoman Boone, being recognized, said, "There's nothing secret about a telephone poll, and I'm just going to reiterate our attorney says there's nothing wrong with it. It's unfortunate that you think it's some big secret meeting or that some people are in the office generate these things for you to have to think about, and have to chat with your comrades. Like I said, I'm an independent thinker. I don't need you guys to tell me how to think or how to vote. I can listen to the question and I can answer the question, and I would hope that all of us would be able to do it. We have a policy in place where a telephone poll – I'm sorry that you feel like it is some secret meeting that went on. There's nothing secret about it. The attorney called in to the office. I don't know where you were, but I was here. I accepted the call. I listened to what he had to say. It's as simple as that."

Councilman Redcorn said, "Call for the question." Chairman Waller asked, "Are you done? (to Councilwoman Boone), and she replied, "I'm done." Chairman Waller said, "Thank you." Councilman Redcorn, again, said, "Mr. Chairman, call for the question, please." Chairman Waller said, "I want you to go, you have a comment?" Councilman Crum said, "I do. It was completely not what I was talking about – the reasons for having the phone poll. It had nothing to do with what the Osage Nation does. That never even come in my mind. It was for the efficiency of our group, and our business in front of the people, and the phone polls have gotten out of control. I just say let's stop them. That's what it was for."

It had nothing to do with me, being not wanting to come down here and only work two days a month. You know that I make every meeting we ever could ever have. My attendance is better at even off-meetings than the folks that live here. So I would..." Councilwoman Erwin asked "Is that the secret meetings in Hominy?" (*The voice level was much louder*) Councilman Crum said, "I don't know..." Chairman Waller said, "Whoa, whoa, whoa." Councilman Crum said, "I was just threatened by a man in the audience." Chairman Waller replied, "No, let's stop. Everybody chill out. We're going to finish this. (Gavel raps with loud voices coming to a close as Chairman Waller continues.) Now, I have other people available if we need them. I'm done talking about this. I'm going to call for the question. Thank you."

MOTION PASSED: JOSEPH CHESHEWALLA-NO², GALEN CRUM-YES, STEPHANIE ERWIN-NO, KATHRYN RED CORN-YES, TALEE REDCORN-YES, EVERETT WALLER-YES, ANDREW YATES-YES, CYNTHIA BOONE-NO

Chairman Waller, after the vote, said, "Now, from now on, special meetings are going to get – We're going to have to get everyone two days of what you want before I call it. There won't be anything else other than that. That'll open up every requirement. Secondly, I can tell you, 'No', as Chairman, that we have few of them. If enough of you want it, I'll call each and every one of you, and we'll have a special meeting, and that will be **only** what that meeting is for. Is that alright with everybody?"

Rescind Resolution 2-250, Banning Cynthia Boone from the office: Chairman Waller said, "I'd like to go on to another subject. I have old business. Rescind 2-250, banning Cynthia Boone from the office. Councilwoman Boone."

Councilwoman Boone, being recognized, opened by saying, "I didn't even give this a thought until just recently when this thing just popped up again, that, oh, this #2-250 is still on the book. So, I went back and pulled the Resolution #2-250, and I found out there were only seven votes taken or recorded on this resolution. So, we had a full council that day, and I pulled the draft of meeting minutes. I pulled the draft, because I couldn't find the approved meeting minutes of this meeting date. The secretary did not record my vote. My name is marked off. This is from a secretary that was arrested not once, but twice while employed by us. She was unsuccessful at filing a protective order against me, prior to the meeting. Did she have a personal vendetta against me, or was she following the instructions of somebody else's orders? If my vote had been recorded on this resolution, this resolution would not have passed, in the first place. It would have been a tie: 4 Yes, 4 No. The result would have been that the motion has failed. This resolution could not be enforced at the time it was passed. I came to work the very next day, but then Chairman Yates had tried to have this resolution enforced by contacting the Osage Nation Police, but his efforts were unsuccessful. He then emailed the Osage Nation Attorney General, and his efforts were unsuccessful. This resolution was nothing more than a bullying tactic. It could not be enforced then, and it cannot be enforced now. I was elected by the headright owners to do a job, and I will continue to do job. I will continue to be in the office. It continues to be used as a, by Councilman Crum, as a bullying tactic, by his reference that it is still on the books. Resolution 2-250 had no merit then, and it has no merit now. **I move that this resolution be rescinded. We have more things to worry about.**"

Councilman Redcorn said, "I second it." Councilwoman Boone continued, "Thank you." Chairman Waller asked, "Is that in a form of a motion?" and she said, "Thank you. Yes, it is a motion." Chairman Waller summarized, "I have a motion on the floor by Councilwoman Boone, second by Councilman Redcorn. Is there discussion? Councilman Yates."

Councilman Yates, being recognized, said, "If you had voted, and I think you actually counted, but the actual vote would actually have been 4 Yes, 3 No and 1 Abstain." Councilwoman Boone said, "One abstain. An abstention is a 'no' vote." Councilman Yates replied, "No, it doesn't count." Councilwoman Boone said, "Yes, it is. It's a 'No' vote." Councilman Yates continued, "That's not – That's not – Your

² On this question, Councilman Cheshewalla asked, "Yeah, how is the question worded?" Executive Administrative Assistant Lacey Reynolds replied, "To do away with phone polls."

regards for the wording in this environment, it doesn't say, 'Yes' or 'No', it's 'Abstain'. Councilwoman Boone said, "Well the bottom line is that you didn't count my vote. I don't have a secretary." Councilman Yates said something, and Councilwoman Boone said, "I don't care! Nobody can deny me my right to vote!" Chairman Waller interrupted, "Ma'am, ma'am, I call on them, I call on them. Take care of that, sir?"

Councilman Crum, being recognized, said, "I don't know why she wants to litigate this again, and it was painful then, it's embarrassing then, it's embarrassing today. But, the Council was not – just three of us was here when that was done and knows what led up to it. The other day, we were talking about personnel issues. Rightfully so, we were talking about things that worked; People weren't willing to fill out paperwork, document and have court testimony about the incidents. On this particular action, that the Second Minerals Council took, there was that. We had documented incidences. We had witnesses that – and as I recall, the words used was bullying tactics and belittling comments. There was other things that were alleged that we didn't actually bring up, but we didn't have the documentation. These are all we had. We had been dealing with this for quite some time, some while. We've made moves. We'd lost people. They told us what the problem was, we tried to insulate them by having rules, whereby – Well, first off, we made Office Manager, and that he was to do all the contact and that sort of thing, and it didn't work. And, finally, we were pressed to this, because the three ladies, actually two, but the third one had heard the things, and we're claiming hostile work environment, and as we talked about it the other day, there's certain financial risks involved in that sort of thing. So, he dropped those charges against us. We have ignored it, long enough, and we needed to act. And so, we made this motion to try and solve some of it. It did not occur. She did not honor it. We didn't press it any further after finding out there was nobody to remove her. We didn't like telling her she had to leave, or anybody give her any trouble. We went on, toward the end of time. On a more personal note, something that will haunt me for a long time, that for two years, while I was the Chairman, many of these women came to me and told me they were having trouble with this or that or the other, and the only thing I offered them was that 'As long as you're doing your job, she won't get the votes necessary to fire you'. That's all I did. In retrospect, it made me sick thinking about what those gals had to go through on a daily basis. So, because of my cowardice, I didn't want it to come to this, like it is, again, today. I didn't stand up, and so, that's the reason, that's my recollection of, and I think it's accurate, those letters are still available. So, that's me.

Councilwoman Red Corn, being recognized, said, "Mr. Chairman, we voted on this before. This has been brought to us, before, and we voted at the very beginning of our sessions, when we first started as the Third Minerals Council, and it failed, at that time.

Councilman Redcorn, being recognized, said, "We chatted about this in closed meeting. I'll say it in open meeting, the Osage Headright Holders have a long history with the United States. I'm a veteran of the United States Army, and I'm proud to have done it. The core to our belief is the Democratic process. Ms. Boone, you've been on this committee three times. I can't remember the first election, but you came in four, three, four – I can't remember. The second one, you were number one." Councilwoman Boone, said, "Right." Councilman Redcorn continued, "The third one, I think, it was two, and I came in third, so my view is the shareholders want you. They want you setting in that chair, telling whomever your ideas, your thoughts, your wishes, and I don't have the right to take that away. I might not agree with you, and we don't, and I agree with you in other things. I appreciate the time that you communicate, but that's the reason that we need to do away with this resolution..." Councilwoman Boone said, "Thank you." "...because this is against the Democratic process that so many of our Osage veterans have fought for, and many people died for on many shores throughout the world, so that you set there and give your opinion in a Democratic way. So, thank you, Chairman."

Councilwoman Boone, being recognized, said, "OK, now, can we talk? And, during all this process, is where you say you've got all these letters and all that, you guys never talked to me ever about any of that, and you want to sit there, Mr. Yates, and talk about secret stuff, we are no more secret than keeping those things without discussing them. Let's call for the vote."

Chairman Waller said, "Call for the question."

MOTION PASSED: GALEN CRUM-NO, STEPHANIE ERWIN-YES³, KATHRYN RED CORN-YES, TALEE REDCORN-YES⁴, EVERETT WALLER-YES, ANDREW YATES-NO, CYNTHIA BOONE-YES, JOSEPH CHESHEWALLA-YES,

COMMITTEE REPORTS: Chairman Waller said, "We're going to move on to Committee Reports. Anyone'd like to take a moment, now? Make it very brief."

Councilwoman Erwin, being recognized, said, "I would like Mr. Yates to report on this Oklahoma at Risk Well Tax Provision. If you wouldn't mind, you sent us an email. Can you tell us about it?" Councilman Yates replied, "I'll read it off the email and forward it to you. Councilwoman Erwin, said, "I read it. I'd like to know more about it. How does it affect us?" Councilman Yates, said, "Sure. I attended the annual meeting from back on April 25th at the Hard Rock. It's the same on the resources with the Marginal Well Commission. I was appointed by the Second Minerals Council. On that, I was going to – We put on the Oil and Gas Expo, every year in Oklahoma City. We'll be having it this year, Thursday, October 6, and in the past, we sent people down to represent the Osage. I don't know who would want to do that this year or not, but it's – We put a booth down there. It's about \$1,000 for a major exhibitor, and \$50,000 for Legacy sponsorship. Beside just the oil administration to pay the bill, not only Osage County but it's nationwide. They have a \$750 booth, if we're so inclined. Again, that's Thursday, October 6th in Oklahoma City. Also, the Mid-Continent Oil Field Conference, and this year, it'll be January 25 and 26, 2017, and we've decided to move it to the Renaissance Hotel in Tulsa. We moved it downtown, thinking that we'd get a lot of oil companies on their lunch hour, but I know it didn't work out for us in the past. We're going to go to the Renaissance in Tulsa, and that's one of the good conferences. It's cutting-edge technology, and we don't make much money on that one, but it's worthwhile, and I just wanted to mention that as being a member. Actually, Solar is a division of OERB. We're all together, and...." Councilwoman Erwin asked, "Do you still sit on the board there?" Councilman Yates replied, "Yes, I'm on the Advisory Group Council, yes." Councilwoman Erwin said, "OK." Councilman Yates concluded, "Again, next thing out, the memo, yesterday, and it mentioned – I really don't know if I should really talk to... Well, I could read it off to you." Councilwoman Erwin said, "I can read it." Councilman Yates continued, "I put together an informative pamphlet, regarding State Bill 1577. It's Oklahoma's Economically At-Risk Tax Provision. Please take a look, and feel free to forward it on. That's what I did. I forwarded it to the Council and I think Jill Jones at the Osage Energy Resources. But on it, what it's saying that there's a – *'Oklahoma's Economically At-Risk Tax Provision for Oil and Natural Gas producers is to help keep Oklahoma's wells operational for more than two decades. The ebbs and flows of commodity prices are part of doing business in the oil and natural gas industry...At risk are more than 80,000 stripper wells in Oklahoma will produce a marginal amount of oil and natural gas and jobs associated with that. As collected, Oklahoma's marginal wells is more than \$2.8 billion in Oklahoma's economy each year...'* I sent this out there, once..." Councilwoman Erwin asked, "Is this going to relieve us from the Gross Production Tax?" Councilman Yates said, "No, it's posted on the web site..." (*Laughter from Council*) Chairman Waller said, "Please, please." Councilman Yates, continued, "...What's our web site, Talee?" Councilman Redcorn answered, "Oh, Osageminerals.org". Councilwoman Erwin, "We have somebody that will man it." Chairman Waller said, "I think so. I will check it." Councilman Yates concluded by saying, "Basically, that's my report, as it is."

Councilman Crum, being recognized, said, "I think we can go ahead and talk about what we talked about, yesterday? Is that alright with you?" Councilwoman Erwin and another Councilperson said, "Yes."

³ Councilwoman Erwin, in her voting, asked, "What's the question, again?" Executive Administrative Assistant Lacey Reynolds, said, "To rescind Resolution 2-150." Councilwoman Erwin said, "Yes, let's rescind it."

⁴ Councilman Redcorn, in his voting, said, "I'm going to make sure we vote 'Yes' to rescind this resolution to ban Councilwoman Boone from the office. Is that what I'm voting for? I'm going to say 'Yes', I'm voting for this resolution."

Councilman Crum continued, "Part of our discussion, last week, we talked about looking at some policies on how to conduct business in the office, and that sort of thing. And part of what I did to try to get some ideas was to go over to H.R., and looked into what they did. I was just looking for ideas. What I found out from them was that they nearly all of the questions I was asking them in terms of what they did are included in the handbook, and what the Congress did, and the Executive, or the Judicial Branch did was that they took the full handbook and then adjusted it for what matters to them and what they wanted in there. So, we would drop off what we don't want, change what we want, whatever, but we went through this process, I think we all, kind of, agree that we would end up with a pretty universal document, when we got through. It's rather large – and we wanted input from everybody. So, one of the things I did, right off the bat, was to email out both the complete document for the Nation and what the Judicial Branch did. The gal said the Judicial Branch did a lot better job of adjusting theirs, to what the Congress did. So, I just did that as an example to see how they went about in changing it. Of course, there's lots of things that need to be, you know, like, references to the Chief, references to the Chair. So, I think the premise we're going to operate on the floor, is that we would like to bring this up into some pieces, because there's going to be discussion on what we want it to be. So, arbitrarily, if it's OK, maybe look at the whole thing, maybe especially up to page 13 that ends in one, and that would be about a fourth of the book, or so. Maybe a little further, I don't know. But, look at them, get input back to us, and then we will try to give them something in. My thinking is, we would vote on sections of them, as we got them figured out. Then, we got to get the whole book done, and relook at the whole thing, and the whole Council has to vote on that, and this will be all done by resolution and by the input from everybody. So, I don't know. That was..." Councilwoman Erwin said, "That was the gist." Chairman Waller added, "That will be fine." Councilman Crum concluded, "So, that will mean that the Policy Committee meeting would have to be doing some meeting here, in the future. I will be doing..." Councilwoman Erwin said, "...And then we did ask for copies to be sent in everybody's box. You know, they've got them electronically, so, you all can mark them up, and send them back to us." Chairman Waller said, "And that comes out of committee recommended, will definitely be dropped in the Council's box." Councilman Crum said, "And, I think that Stephanie can check with Lou that we have it on there. They could do some redline to show off what was done, perhaps, and that we keep up with it, and I would encourage you to do what the Council wants said, and get hard copies, because you need to get your highlighter. You know, blackline things that need to go clear out. Yellow line, that they need something, but make notes in the margins, or however you want to do it, and get back to us, and I think when we get done, we'll have a handbook that's pretty comprehensive." Chairman Waller said, "Thank you, sir. Anything else?" Councilwoman Erwin said, **"That's it. I make a motion that we adjourn."** Councilman Redcorn said, **"I second."** Councilman Cheshewalla, during the motion and second, said, "...get an order on the well plugging committee. I think she has something on that..." Chairman Waller said, "...update on what we called about." "On the well out to the..." Chairman Waller replied, "Yes, sir." "We've got 'til October, like October 13th, and that's whenever they'll be done with their softball season, and anything they're going to be doing there. So, we'll have that window from October 13th until spring to get those wells plugged." Chairman Waller said, "As far as Superintendent goes from Pawhuska." Councilman Cheshewalla concluded, "We haven't even discussed that yet, because we don't exactly know how much ease we're going to have. Councilwoman Erwin said, "Oh, it'll be a new year, we'll have lots to make."

Chairman Waller said, "I have a motion on the floor to adjourn by Councilwoman Erwin, second by Councilman Redcorn. Call for the question."

MOTION PASSED: STEPHANIE ERWIN-NO⁵, KATHRYN RED CORN-YES, TALEE REDCORN-YES, EVERETT WALLER-YES, ANDREW YATES-YES, CYNTHIA BOONE-YES, JOSEPH CHESHEWALLA-YES, GALEN CRUM-YES

Osage Shareholder, Linda Heskett, had a comment, in the middle of the vote, and said, "A quick observation from a shareholder. Very quick. OK, I just want to say this tit-for-tat, we live in a modern age, and you have a lot on your plate. You have a lot of challenges to meet, and when your lawyer is there to

⁵Councilwoman Erwin, in her voting, said, "Well, I didn't see somebody out there with their hand up."

tell you something, you need to be there. You need to be in court, and I wish you would leave your personalities parked outside and do the business that you need to be doing for us shareholders. Thank you." Several of the Council told her, "Thank you," as well.

ADJOURNMENT

Approved:



Chairman

Attest:



Executive Administrative Assistant