

**OSAGE MINERALS COUNCIL
SPECIAL MEETING
JULY 5, 2016
OSAGE COUNCIL CHAMBERS
PAWHUSKA, OKLAHOMA
MINUTES**

Call to Order:

Chairman Everett Waller called the regular meeting of the Osage Minerals Council to order at 10:02 A.M.

Opening Prayer:

Chairman Waller asked Councilman Talee Redcorn gave the opening prayer.

Roll Call:

Minerals Council Executive Administrative Assistant Lacey Reynolds called the roll. Osage Minerals Council Members present were Cynthia Boone (arrived 10:05), Joseph Cheshewalla (arrived 10:10), Galen Crum, Stephanie Erwin, Talee Redcorn, Everett Waller and Andrew Yates. Absent was Kathryn Red Corn. A quorum was declared.

Visitors to the meeting were: Dr. Jean Denison and Jill Jones.

EMDP GRANT RESOLUTION:

CHAIRMAN WALLER: Do you want to go down to Access Permits for a minute, or just give them five minutes?

COUNCILWOMAN ERWIN: I want to discuss the budget, because is that enough for us what we want to do? I'm assuming it is.

CHAIRMAN WALLER: There's never enough.

COUNCILWOMAN ERWIN: For the group ties, you know, the well logs, production data and lease records?

COUNCILMAN CRUM: She got them on the back. You know how she broke it down.

COUNCILWOMAN ERWIN: Well, I'm looking at it, so I'm assuming. I don't know.

COUNCILMAN CRUM: I don't know. She sent an email asking us to give input. The only input I could give her is that I don't know how big a stack of paper it is, and I don't know what that costs to do a copy, and I was a little unsure, and I never got an answer from them, but what if we partnered with I.H.S. –

COUNCILWOMAN ERWIN: Mm-hmm.

COUNCILMAN CRUM: -- Whether they would have any part of that. My understanding of it, is that they would make it digital, and then make it usable, but, I'm not certain of that.

COUNCILWOMAN ERWIN: Yeah.

COUNCILMAN CRUM: So I told her, my only input was to go over it – this is just you and I – because we do know he's done some research with the Agency and got that number on the pages. I didn't provide her with anything like that. Wouldn't know where to get it.

COUNCILWOMAN ERWIN: Well, if you look on page 14, this is OK, but I don't like the fact that it says included in the estimate that the cost of a two-day I.H.S. course with travel for four Council Members, I think we need eight there. I mean, it's the opportunity to go, if they want to go. So, it makes me no difference.

COUNCILMAN YATES: Have you seen the email from Rebecca to come in at 9:45?

COUNCILWOMAN ERWIN: I've got it, but I haven't taken the time to look at it.

COUNCILMAN CRUM: That one I.H.S. form.

COUNCILWOMAN ERWIN: That's the form.

COUNCILMAN CRUM: It didn't say much.

COUNCILWOMAN ERWIN: That's the only thing I've got to say about the budget, I guess.

COUNCILMAN YATES: It's a form for partnership.

COUNCILWOMAN ERWIN: Yeah. OK. So, can we have somebody go and get that and print it off for us?

COUNCILMAN REDCORN: What do we want it to say?

COUNCILMAN YATES: It's a blank form for partnership.

COUNCILMAN REDCORN: What do we want to see?

COUNCILWOMAN ERWIN: Budget form they just sent to us today. We're supposed to fill it out for I.H.S. partnership. It goes with the grant.

COUNCILMAN CRUM: What is it, and what is it you want us to do?

COUNCILWOMAN ERWIN: Yeah.

COUNCILMAN CRUM: And, what will it accomplish? You know, maybe like that. It's not specific. My bill is what are you going to do for free.

COUNCILMAN REDCORN: My deal with I.H.S. was they do all the work, we, just like you're saying, get it digitized that'd be great.

COUNCILMAN CRUM: That's what I would say with the discussion I think it would be her best guess, as good a guess as I have.

COUNCILWOMAN ERWIN: Yeah. I agree with you.

COUNCILMAN REDCORN: I guess the only thing we need to determine is they'll want to charge everybody and that's always been an issue with us. Are we going to charge people to get this information, or is it free?

COUNCILMAN CRUM: Yeah. The discussion I had with some of our producers about I.H.S. and whether that's OK or not, I talked to a guy with one well or two, but they said they used it already and that's great. I'd much rather get it on Sunday or whenever they want. So, they'll pay for that service.

COUNCILMAN REDCORN: It's no-match grant. It's free money. I don't see a problem, myself.

COUNCILWOMAN ERWIN: OK.

COUNCILMAN YATES: Coming back in?

CHAIRMAN WALLER: We'll take care of it. Y'all made it on time.

COUNCILMAN YATES: All the way from Nelogoney.

CHAIRMAN WALLER: I'd entertain a motion.

COUNCILWOMAN ERWIN: To approve?

CHAIRMAN WALLER: To approve the EMDC grant. I have a motion on the floor by Councilwoman Erwin, second by Councilman Redcorn. Please, Discussion.

COUNCILMAN CRUM: I had missed what you said. Is the data there?

CHAIRMAN WALLER: Yes.

COUNCILWOMAN ERWIN: Yes.

COUNCILMAN YATES: I see the continuing process where they'll be continuing to populate this with a digitized information.

CHAIRMAN WALLER: We really hope so that there is an avenue of cash injections. I think, once the I.H.S. is in order and we actually prove that row, they have no other choice but to keep going.

COUNCILMAN CRUM: It's a good price that we would have had some years ago. It would have cost around \$186,000.

CHAIRMAN WALLER: I appreciate that.

COUNCILMAN YATES: Of course, that was digitizing to move it on the internet and access to everybody.

CHAIRMAN WALLER: We know what our target is, now. Value is about \$225. Thank you, Council.

COUNCILMAN CHESHEWALLA: Made it.

CHAIRMAN WALLER: The motion on the floor is the first one.

COUNCILMAN CHESHEWALLA: OK.

COUNCILWOMAN ERWIN: You want me to read that resolve clause.

CHAIRMAN WALLER: Yes.

COUNCILWOMAN ERWIN: OK. *"Resolved that the Osage Minerals Council does hereby approve and submit this proposal for funding under the DOI Energy and Mineral Development Grant Program funding to establish and maintain an accessible digital database of lease records, well logs, geophysical data and production data of the Osage Minerals Estate."* I read it right off the resolution.

COUNCILMAN CRUM: I would almost be in favor of this. This is something, during the neg-reg preparation we took apart the Osage operation, and one of the things we found was lack of a computer system that had to deal with putting over there. So this something that we've working on for quite some while to get this to happen. I'm thankful for this grant to have a spot for that to be and I hope that it does what we want to for us, and I'm really encouraged about how quickly this could come together, if we get this grant and get it going. I assume it will be a long term thing. To answer my thinking at least on the question that Councilman Yates brought up, the BIA was already looking at feeling like it was there, but it was so far, so big, their budgetary requirements would take them years to do. But, I think they will step up to the plate and populate it with new information, as it goes along, as they already accepted it as their responsibility.

CHAIRMAN WALLER: As their Trustee, they're going to have to. Yes?

COUNCILWOMAN ERWIN: I have a question. I've been given this economic request service partnership form. Do we need to do a resolution? Can we do that after we pass this resolution?

CHAIRMAN WALLER: We can just do it afterwards.

COUNCILWOMAN ERWIN: OK.

CHAIRMAN WALLER: Any other questions? Call for the question.

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

TEDC GRANT RESOLUTION:

CHAIRMAN WALLER: I'd like to entertain a motion on TEDC Grant Resolution, please. Councilwoman.

COUNCILWOMAN ERWIN: I make a motion that we adopt the resolution or grant for the TEDC.

COUNCILWOMAN BOONE: I second.

CHAIRMAN WALLER: I have a motion on the floor by Councilwoman Erwin, second by Councilwoman Boone: Like to open up the floor for any discussion. Councilman.

COUNCILMAN CRUM: I expressed some reservations about this when we first talked about it. I'm not sure that if we get this that we're quite prepared to be utilizing it properly at this time. So, I'm not nearly as enthusiastic about going for this. I think it's a good idea. I think it will be helpful to us in order to establish this upstream mechanism. But, I think that they'll be expecting a little more infrastructure to run it, and if we get in to what we have in place, I know that the discussion is that we'll put that in place, when we get it. I hope that's true. But that's just me.

CHAIRMAN WALLER: Thank you, sir. Councilman.

COUNCILMAN REDCORN: Thank you, Chairman. I like the idea of going and pursuing this grant, just like the previous grant. In Mineral Council 2, I wasn't on the Minerals Council and I approached the Mineral Council to produce a grant, and did last year. I also produced another grant and wrote it. I think in those times that we learned a lot thinking behind the funding persons in the Bureau another personnel in DOI. So, not that this is an educational fully-backed, if I think, going for a free application if it gives us communication we want to establish with the Bureau with the persons that are involved in economic development. Also, with our rejected grant application last year, we got some really good feedback. I did submit that to our attorneys who were writing this next grant. So, I think if we continue to communicate with the Bureau in our desire to start looking at avenues to start exploiting these resources ourselves, rather

than leasing them out for lease, which we've been doing for a hundred and some years, so it's probably time we need getting out of the comfort zone, moving in a direction of development. I know that scares a lot of people, because your career's is in the oil and gas in Osage County, and it's pretty departmentalized. It's a mature business here. Sometimes we got to start looking out of the box and try and be on the development side. So, anyway, I support this and I plan on voting 'yes' for it.

CHAIRMAN WALLER: Councilman Yates and Councilwoman Boone.

COUNCILMAN YATES: I apologize that I wasn't able to make it on the conference call, Friday. I had a prior engagement with the family. Doing this upstream development, developing a sophisticated management team, are we going to hire someone to operate this upstream operation for us? Someone that's eligible? *(Chairman Waller nodded his head in the affirmative.)* Very little risk. We lease, manage the waterfloods, concessions. On this, I was wondering, will this help if we were to decide to go again? That's an option that we've never – well, we did once, in Chief Tillman's time where we tried to experiment, and I'm not sure what pitfalls – it didn't work out then. But, I was just wondering, is that something for the upstream?

CHAIRMAN WALLER: No, sir. But I think that's a great observation, because the downstream is going to identify just what we had not. We have a Trustee here, and the other is no matter what upstream we look at, 1906 is going to be the frontrunner of everything. That royalty amount we represent is always going to be at the front end of this machine. If there's another department we go through as a contract or something that effort, we have to look at what's down there and I understand the hiring of anyone. I'd like to see their structure, itself. The actual management scope of deliverables and then we look at what you're talking about, if that's a possibility, because this is just an application. Yes, sir? No, excuse me, Councilwoman Boone. Well, yes, sir?

COUNCILMAN YATES: This is merely an application. We'll see if we get them to cross those paths, those roads. I was wondering what was discussed in the meeting about the oil in-kind, or hiring someone in the business upstream. I've had several people contact me when I was Chairman. They were trying to figure out how they could step in, and we haven't got to that point.

CHAIRMAN WALLER: I think that Grasso acted in to dictate to us by any changes that we're looking at, as far as the 118 years we've been in business. I think GAO has proven a point to us. I don't think that they've proved that they're going to come by and fix anything, but I think it's going to be up to us.

COUNCILWOMAN BOONE: Thank you, Mr. Chairman. I think the beauty of this application is the fact that, moving forward, we'll have an infrastructure to actually run our business like a business, and we'll have a Trust attorney that can help guide us through any rough spots that we might have. So, that's why I am in favor of this. So, I've been here a long time, but it's time for us to start running a business like a business, and if we can do it with the better qualified people, then I'm all for it. Thank you, Mr. Chairman.

CHAIRMAN WALLER: Councilman.

COUNCILMAN REDCORN: Thank you, Chairman. Page five of the application says '*want to develop a business plan, a technical, financial, administrative, logistical and management capacity requirements*'. Number 2 is '*create supporting regulations to government management of the upstream entity*', so, etc., etc. Basically, we want to get stapled plan that's going to be put in front of us. At the end of this, we'll also have supporting regulations that will govern this entity if we so choose. So, basically, there will be nothing started. It'll be just like we did with any of the things with our attorney we asked him to look at, and see what he thought, and provide a solution. In front, this is something we do, or has been done working upstream or working downstream for oil and gas companies, and this is just something that we do. They propose different entities and then, of course, it's our decision if you want to pursue that or not, after we're done. So, I think it's a no-risk. To me, the more information is better than running around blind. We make big decisions, and basically little information. We should have a lot more information. So, these two pieces

of grant applications gives us a lot of information to help us make decisions, better decisions, I would like to say. So, again, I support both of these. It's low-risk. The money's out there. No match. Couldn't ask for a better scenario.

CHAIRMAN WALLER: Thank you. Councilwoman.

COUNCILWOMAN ERWIN: I just want to add in there that when they come in with that second decision, on the Hayes' case, it created a lot of problems for us. They haven't made the second decision, yet, on trespass, that Federal judge, and this will probably take care of a lot of our problems when that comes into play, so it would actually help us in the long run, against that Tulsa attorney. Thank you.

CHAIRMAN WALLER: Thank you. Let's call for the question.

MOTION PASSED: JOSEPH CHESHEWALLA-YES, GALEN CRUM¹-YES, STEPHANIE ERWIN-YES, TALEE REDCORN-YES, EVERETT WALLER-YES, ANDREW YATES-YES, CYNTHIA BOONE-YES.

ACCESS PERMITS:

CHAIRMAN WALLER: I'd like to ask for clarification on the next item, over the Access Permits.

COUNCILWOMAN ERWIN: Yes?

CHAIRMAN WALLER: Is there something in the book you want us to look at?

COUNCILWOMAN ERWIN: Well, I was wanting you all to reconsider doing a resolution for an access permit. We now have Am-Shore at our door. They're asking to meet with us, or have some interaction with us, which we haven't done. This is the second letter. They sent one, months ago. I don't know, if might help if anybody'll help us, but right now, we don't have any kind of defense against these people. I mean, we're still fighting them now at the 10th Circuit, so we need to do something, and I thought I would bring it up again. I don't know where it would hurt to do this. Anyway, it's there. It's the same one I brought up in February and this is what was recommended by our attorney to try to stop these people, to put anymore windmills in.

CHAIRMAN WALLER: Now, I thought we also had a resolution that had some of the effort of exactly that, or was this it?

COUNCILWOMAN ERWIN: This is it. We didn't pass it, in February, but we've got Am-Shore here, now. They've already put up two of the three sub-towers out there, out in West Bend, out there in the Bend area. They're going to put up 75 windmills out there. They've already got a list of people who are going to a letter of intent to these people. They've already talked to the Fairfax School Board. They've already had an unofficial meeting with the County Commissioner. I sent an email to you all, because I'm pretty upset about it. But, anyway, this is – I drug this out from the past.

CHAIRMAN WALLER: Councilman.

COUNCILMAN CRUM: I think that, in here, it says the past, attachments to be on this somewhere, and I just read it and says your part where it needs to be more specific in what the steps would be permitted. I have the same problem with this. I share the worry about the windmills. However, the same problem I see with what we have right now, we had before we talked about it, and we just passed this. We have no legislative power, according to the Constitution in what we operate under. We don't have a police force, so

¹ During the vote, Councilman Crum said, "I'm going to vote 'Yes', but I still have my reservations on how we're going to implement it, but I'm willing to let them tell us how they'll pay for it".

we could pass this to show up, but if we want a police force to go out there and implement the permitting, we want the Court saying that kind of permit they don't honor to begin with. We need the Osage Congress to pass something that mirrors. And, as far as the advice from the attorney, that was just advice. We needed to get the Congress to write something. There was a great uproar in the room, so we voted in just us doing it. But, you know, we don't have a police force to implement it, and we learned in the past that our resolutions are not going to be enforced by the Osage Nation Police. We've had that explained to us. So, we can do this as a symbolic gesture, and that's pretty much all it will be, unless we're willing to work with the Osage Nation Congress to ask to have a law encoded. That's the way it has to be. So, and that would be effective. I hope that if we pass this, we would support if they decide to help us out on this in doing an actual law, and not fight them. One other thing, we could have a really good spot in fighting these guys, right now, because of a recent Supreme Court decision on the Dollar General case. It said if anyone comes to the Tribe, and wants to do business with them, because these guys have already written the letter, they want to make an agreement with them, that we can then pass laws that regulate. That's what the one essentially says, my length of interpretation of reading what that ruling said. So, an effective set of regulations saying they have to have a permit that comes to us on it can stand up in Court way better than a month ago. But I'm afraid a resolution by the Minerals Council standing alone will not do what we want it to do.

COUNCILMAN CHESHEWALLA: Chairman, I noticed in Wednesday's paper, there's 70 more easements were filed. I haven't set down to read the paper, but I noticed that was the headline. 70 more easements filed on the windfarms.

CHAIRMAN WALLER: Councilwoman.

COUNCILWOMAN ERWIN: Actually, you can make it a part of our process and win or not, we need the Osage Police to do anything for us, we more than likely have to take them to Court, because they're not going to stop. Just like these other guys are not going to stop. They're always here, always going to be here. They can't wait to put some more of them in.

COUNCILMAN YATES: If we pass this access permit resolution, which Court would be left?

COUNCILWOMAN ERWIN: Well, we don't have any laws here in the Osage Nation that I'm aware of.

CHAIRMAN WALLER: Yes, sir.

COUNCILMAN YATES: So, what's your answer?

COUNCILWOMAN ERWIN: Federal. We're Federal.

COUNCILMAN YATES: Federal Court. OK, that was just a question. And then, you know, I'm reading through this, and other things we had that we were wanting to do, a lot of times you have unintended consequences. So I don't know how this will affect other businesses within the boundaries of the County, the Reservation. First, I think it was egress, egress with the oil companies wanting to operate and drill, which I'm sure we could probably alleviate that route, rather than the resolution form, the lease, a concession. Then, I wonder how this is going to affect the state highways, the county highways. It's just, you know, like I say, unintended consequences. I just don't know if you've looked into that or not.

COUNCILWOMAN ERWIN: Are you asking me, personally, to respond to you?

COUNCILMAN YATES: This is your resolution you sponsored, correct?

COUNCILWOMAN ERWIN: Yes.

COUNCILMAN YATES: Then I am asking you.

COUNCILWOMAN ERWIN: OK. Well, as far as I know, I think we need to know what's going on in the Osage, because this is part of the Minerals Estate, and the people coming and going, you know, for years the ODOC took our rock. We never got paid for it. You know, there's a lot of things going on in Osage County we don't know about, because nobody comes up here, and consults us. We should know about everything, how it's going to have an impact on the Minerals Estate. What money we get out of it, if they don't collapse it. You know, those windmills there in North Burbank. You know, I'm concerned about it. I'm not pro-windmill. Are you *(laughs)*?

CHAIRMAN WALLER: Is that all the question you got?

COUNCILMAN YATES: Anyway, I stand on my record as how I felt about the windfarms, and I fought them, you know. The main reason we've always said it was on our Tallgrass, you know, on historic land. Yes, I fought it all the way.

COUNCILWOMAN ERWIN: We need to continue to fight.

COUNCILMAN YATES: I'm just worried about passing another – I hate to say it, needing this resolution doesn't do anything.

CHAIRMAN WALLER: Now I'd like to interject that when this came up in February, we had the Nation here with us, and I told them we also have a Federal Trustee that had to go the Federal route. We only have a misdemeanor court. We can't take these people to that. They have to sign a waiver and go to it, anyway. We know what's going to happen to us in the State Court. I think our only option is Federal, and how we get there once it's going to be. What does our Trustee do for us? Because that's exactly the Fiduciary Trust responsibility, it states, 'Federal'.

COUNCILWOMAN ERWIN: Well –

CHAIRMAN WALLER: Let me finish. The last part of this is exactly that. We can encompass this rule and regulation, because we already know they have failed at their attempt on this. So, we can write something, but I still think it has to be brought in to the Federal people and tell them, *'This is what we want'*, and then, we go from there, because that's the only way you'll get them in to Tulsa, and that's where we're going to end up.

COUNCILWOMAN ERWIN: Thank you.

COUNCILMAN REDCORN: Thank you, Chairman. We do a lot of leases in oil and gas and other mineral development. BIA has shown their course of action, how they remedy issues and what-not. It's kind of changed when Ms. Phillips is here and passed, I mean, we have a solid Federal action. So, I think this is in line with what we generally see the Bureau do, when they look at the leasing activities for mineral development for the Osage. One thing I do share with Councilman Yates' concern, and we want to be clear that general contract – *(gavel raps)* construction activities, I mean, the Court had its ruling, and we've got a lot of activity. We don't want to be a burden on any kind of business. We want to be pro-active, construction area, where they're not bogged down in Federal activity, when they put a project together. So, we want to make sure that, you know, we build that building, dealing with issues we're talking about. So, I think we need a little bit of clarity on how we're going to implement this thing. I'd like to propose that to Tom, and say we've got two issues. We've got windfarms going on – the big issues there. We all understand that, but in the construction industry, there is all kinds of activity – excavation. Right now, we're handling it on a case-by-case basis, Chairman, and it's basically, at least the tune I say, is if you are going to take that rock, and sell it commercially, that you better make sure that the shareholders get the royalty share. If you're going to do something else with it, not gain money, then that's OK. But, we need some clarity on that issue, alone, because when we start talking putting a lot of great relations together just to capture somebody out here - Big Bend area, we don't want to strangle a lot of development in like Skiatook or whatever, because,

at least, in my chair, I want to be pro-business, pro-active development, first. Because we got a lot of folks we're dealing with, so, I'd like to entertain that we ask Tom these questions, how's it going to impact the production industry – just solely, squarely production industry, role development, those kind of things. I think we're after windfarms, for sure, but I have a little bit of concern there, and dealing with it. Thank you, Chairman.

CHAIRMAN WALLER: Alright. Before I turn it over to Councilwoman Erwin, I have to see the attachment for Councilman Yates. This actually came up, not a resolution but the question about not only do we permit the windfarm but I think we should broaden our horizons over some of the units that are coming, that we know that are coming. There's going to be other turbines used. This group's all coming from the same place and aren't different. They're the same. I would've liked to see a little broader, then we get into the energy environment. We've never talked about thermal. We've never talked about other issues in what we can do with co-generation. That has to be in this upgrade. So, that's my only concern. Councilwoman.

COUNCILWOMAN ERWIN: OK. Right now, as far as I know, the majority of people that do come to us about road construction who give access or can tell them about our blessings anyway, the same way with construction. We did that with the building over there for the Title VI Building, Child Care Center, whatever it is. I mean, these people come to us anyway.

COUNCILMAN REDCORN: That's the folks we know of, because they're –

COUNCILWOMAN ERWIN: Yeah, but we don't know anybody else, you know.

COUNCILMAN REDCORN: -- coming through the Nation for construction. Now, there's a lot of people out there that ain't coming to the Nation that are building.

CHAIRMAN WALLER: I actually got a call exactly what he's talking about this week.

COUNCILMAN REDCORN: But the people that's come in here, and we've directed them over here. But there's a lot of folks out there that are doing work, and they ain't coming to the Nation. Well, I understand, but I don't want to put something together that's going to hinder the development for somebody in Skiatook they're not going to sell, if they do sell. We just want to make sure that we don't throw them a curve ball, and we stop development in its tracks. And now, we're answering to a lot of newspaper, because we've got a process that's hard to get to. We want to avoid that. My concern is construction and all these others. I know the roads, because we've been knocking on your door, and they haven't and now they are. There's a lot of Walmarks going up and schools going up. They're not coming to the Nation. They're just doing what they're doing, and up to this point, I don't think we haven't done anything. But we need to answer our way in there or we need to make sure we're comfortable there, and I'm going to grab that revenue for our shareholders, and that's the story I say, right now, if I find out about it, get down to the Mineral Council and tell them you're going to pay a royalty and give us an estimate of how much you pay the shareholders and you're off to the races. Generally, these people are ready and willing when they do that. So, that's the end result of all this, then I'm happy, but I'd like to, at least, have Tom tell us this is what's going to happen, you know? And here's what's going to happen in that case, and that scenario. I'm for it. I just want to make sure that we don't get ourselves in a bind here.

CHAIRMAN WALLER: Councilman.

COUNCILMAN CRUM: I echo the Councilman's concerns. Also, when the BIA went to Federal Court already once, had a ruling on that. If you'll read that ruling from the judge, it's kind of a template on the things he said was missing. There were several things that hadn't been done in the past that needed to be done in order for that to happen for us to have a workable permit system that will pass the scrutiny when we go to Court. The construction companies, all that kind of stuff, we have a process that is reasonable and takes into account we'll probably comply, and if I understand what our attorney told us that the purpose of having the permit situation is that they have to come to us, and then we can tell them what those

requirements are. So we get them to come to us. I fear if we let this stand alone, I'll say it again, if we let this stand alone, with the Minerals Council resolution, that the ones who want to cooperate will cooperate with us fully and will do what we ask them to do, as long as we're doing like the Councilman said, of having a reasonable process and not holding them up. They just get a permit and go on. They didn't want to fight us like the windfarms. We're going to have to go to court, someplace, with them, and in order to win in that court, I don't think an Osage Minerals Council resolution is going to prevail. So, we can pass one and I still think we'd need to have actual full Osage Nation laws that says the same thing, if you want to win. If you just want to make noise and get beat in Court again, well, we can do it that way. As I said before, passing this won't hurt us, then, in terms of that respect. I don't think it will stand up by itself, and I would like to see one that is put together that addresses those concerns what we got ruled against in Federal Court already, that addresses those concerns. I'm not sure whether Tom did before that's referenced here. There was one clipped together and created a board and all kinds of different stuff I'm not on board with, myself. But, we don't need another stand-alone board, and that was part of the proposal that was given to us before your referencing. So I'm not very on-board with that one, to speak of anyway. It needs to be revised some, in my opinion. So my thinking is we have a resolution where we have a set of permitting laws or what we want it to say in front of us that we're going to stick with and then vote on that one and we can address Councilman Redcorn's concerns and my concerns and others that we're doing our resolution right, and then I hope you guys will be willing to cooperate with the Nation enough to get a set of laws that actually will stand up in Federal Court.

CHAIRMAN WALLER: There's a route that we can take on the Federal Court.

COUNCILMAN CRUM: -- That what the Osage people said, us --

CHAIRMAN WALLER: I'd rather go that route and get us out of here. It has to be over there. Is there any other comment? I have a motion on the floor.

COUNCILWOMAN ERWIN: I made the motion, I thought that Cynthia seconded it.

COUNCILWOMAN BOONE: Well, I'll second it.

CHAIRMAN WALLER: That was actually on the other one, wasn't it? OK, we have a motion on the floor by Councilwoman Erwin, second by Councilwoman Boone. I feel like --

COUNCILMAN CRUM: Somebody repeat the motion for me, please.

COUNCILWOMAN ERWIN: You want me to read this?

CHAIRMAN WALLER: Yes.

COUNCILWOMAN ERWIN: OK. *"Therefore, be it resolved as an elected governing body of the Osage Mineral Estate of the Osage Minerals Council adopts and approves the attached access permit regulations upon approval of this resolution."* And, I'm sorry I don't have the attachments with me. They were originally sent out, to begin with, and the reason I brought this up is the Am-Shore letter.

COUNCILMAN CRUM: I agree.

COUNCILWOMAN ERWIN: I know. So, you know, I don't feel like sitting here doing nothing at this point, and not be beneficial to our annuitants.

COUNCILMAN CRUM: May I ask a question?

CHAIRMAN WALLER: Yes, please.

COUNCILMAN CRUM: Is that the one that creates the board?

COUNCILWOMAN ERWIN: I believe I told him there would be no board created. It's just the Osage Minerals Council.

COUNCILMAN CRUM: Well, I didn't see the writing that didn't say that. Did you receive one from him that said that?

COUNCILWOMAN ERWIN: No, I don't remember that, but I told him there's no boards anywhere, that we are it, when it comes to doing anything like that. We don't have any boards.

CHAIRMAN WALLER: Councilwoman Boone.

COUNCILWOMAN BOONE: Thank you, Mr. Chairman. I believe that any concerns that we have, regarding the attached regulations, that we can work with our attorney to clarify all the things. Removing the board certainly would be something I would want to see because this is a Minerals Council function, but I'm sure our attorney would be open to our suggestion. Thank you.

CHAIRMAN WALLER: Councilman.

COUNCILMAN REDCORN: Thank you, Chairman. I was communicating with Congressman Maker. They passed an eagle protection clause, and I've made communication with several folks on the Osage Nation's side and said when these things, leases go to their area for review, I highly suggest that they put in those measures for eagle protection specifically when they come from the windfarm. I've said that on several occasions, and I've not seen feedback from the Nation that I think that they can call the law they've already passed that was offered by Congressman Maker. That review process can be expanded through the Nation for Dr. Hunter to review to include any lease that we pass and make sure that it meets the laws of the Nation, and that's a big law, and Chairman, you've even made public comments on the eagle protection. So, you have said these things in public, which I support, and we have Congressman Maker, which I agree with him that the Osage Nation wants to protect their eagles. Now, we got an industry going to come in on our jurisdiction, and that's going to kill eagles, and we've got a law that says you can't kill eagles. So, to me, it fits right in to the permitting process. We just need to encourage people to consider the laws that are in place and expand that process, and if they reject, say, the Nation, and says 'no' we reject this permit for the eagle clause, then I would assume it goes to Court activity, and I would assume it would go through this Court over here, so, that's my thoughts on it. This one, I'm not sure about. I'd like to review more. I'm not against it, by any means. I want to make sure that we've got teeth in what we pass, and we're not going to hurt people that are going to help us. Thank you, Chairman.

CHAIRMAN WALLER: Thank you. Go ahead.

COUNCILWOMAN ERWIN: OK. Here we are again. If I recall, Geoffrey went to great lengths to come up with laws. He came up with some papers to be served on it now, it never happened. We don't have any jurisdiction over those people. We've got to come up with the way to get our input with them. You know, they have to sign a release, or whatever. I think you have to go over to the Osage Nation Court. We don't have any jurisdiction over the people.

CHAIRMAN WALLER: I've already said that.

COUNCILWOMAN ERWIN: So anyway, I just wanted to put that in there.

CHAIRMAN WALLER: Call for the question.

COUNCILWOMAN ERWIN: OK.

CHAIRMAN WALLER: Excuse me.

COUNCILMAN CRUM: I have two things. First off, as I said a while ago, we have the recent Supreme Court ruling that, I think, does say they have the (50:37) laws, if they wish to do business here. That's what that Dollar General suit said. Secondly, we don't have the attached deal here. It says, what we're doing is voting on what is on the attachment, and to my knowledge, the act says that we're creating a court, that whatever it says about protecting Councilman Redcorn's concerns with are we going to interfere with legitimate businesses, that we would know what to interfere with. So, it's hard for me to vote on something that says 'attached form,' and I don't have it, and I've got assurances that, 'Oh, we'll change that', what the attached form says. That's not what we're voting on, saying that's what we voted on before. So, I'm going to have to vote 'no', not because I don't want to have something not against the windfarm, I just don't know what I'm going to be voting on.

CHAIRMAN WALLER: Thank you. Call for the question.

MOTION FAILED: GALEN CRUM-NO, STEPHANIE ERWIN-YES, TALEE REDCORN-ABSTAIN², EVERETT WALLER-NO, ANDREW YATES-NO, CYNTHIA BOONE-YES, JOSEPH CHESHEWALLA-YES.

Closing of the P.L. Account:

CHAIRMAN WALLER: The next item I'd like to entertain is OST's sundowner. They already know it. This is just a protocol they would like to ask of us closing the P.L. account. We're not going to publicize the number. Mr. Swan has handled the document. We've done the drawdown. OST pulled out some funds out of '16. That passed the resolution to pull out the financial '15, that's the actual drawdown. So with that, I'd like to entertain a motion that we close, and I will give the last three digits, "706", that we close that account. You're going away, anyway. I think they're wanting you.

COUNCILMAN CRUM: Could you tell me again what that P.L. account, because one of the Councilmen

CHAIRMAN WALLER: Bank account, sir.

COUNCILMAN CRUM: We have a bank account with OST? Not the 509 or –

CHAIRMAN WALLER: 510.

COUNCILMAN CRUM: 510.

CHAIRMAN WALLER: That's 510.

COUNCILMAN CRUM: Yes, 510.

CHAIRMAN WALLER: Yes, sir. Separating that, that's been laying there for \$152,000. It's already in the overnighther.

COUNCILMAN CRUM: But that one is not in the Osage –

CHAIRMAN WALLER: Distribution account, now.

COUNCILMAN CRUM: No, it is not the Osage Council's budget –

² During the vote, Councilman Redcorn said, "Abstain. Need more information".

CHAIRMAN WALLER: No.

COUNCILMAN CRUM: No. Let me finish.

CHAIRMAN WALLER: OK.

COUNCILMAN CRUM: The one that makes money flowing in from the 1.8. That's not the one? OK.

CHAIRMAN WALLER: And I think that's why we're actually closing it. They don't see that coming up digitally if we go in to what you're talking about. I asked them and said why can't we zero it out, leave it, in case we go digital and then we process the information. Anyway, that's where it's at.

COUNCILMAN REDCORN: Is this the Bartlesville account?

CHAIRMAN WALLER: Yes, it goes to the Bartlesville account.

COUNCILMAN REDCORN: That's the one newly opened?

CHAIRMAN WALLER: Yes, sir, and Tom Frederick's bill comes out of '15, which OST would not allow us to spend on the invoice. That was from '16, you know it's '15. Go right ahead.

COUNCILMAN YATES: Is this going in to the shareholders' account to be paid out?

CHAIRMAN WALLER: No.

COUNCILMAN YATES: The P.L. account is.

CHAIRMAN WALLER: No, we're closing the P.L. account. It goes over to BancFirst.

COUNCILMAN YATES: And then it would go to the shareholders?

CHAIRMAN WALLER: No, it goes into paying the bills that it was allocated for.

COUNCILMAN REDCORN: Here's what I understand's going on. We voted to open an exterior account. It was open, but nothing was ever put into that account.

CHAIRMAN WALLER: We had no residual. Now everything is –

COUNCILMAN REDCORN: There is no money going into the account. Then, I heard that we're in the red, and so, there's no money going in it. We probably need to close this account, unless there's a plan to use it. Is there a plan to use it?

CHAIRMAN WALLER: The account's already – OST has already put the money in it in an overnighter to go to BancFirst, as we speak. The money comes out of the banking account which doesn't fall under P.L. account. It's made of a different derivative other than a Mineral Estate. That's the only reason OST allowed it to be moved. We look at getting in here to go. I just feel like we overran approximately \$117,000. We looked at another number, 139.

COUNCILWOMAN ERWIN: 139.

CHAIRMAN WALLER: I think that's the correct number, and that's the expenditure to our attorney.

COUNCILWOMAN ERWIN: Right.

CHAIRMAN WALLER: Yes, sir.

COUNCILMAN CRUM: I figured I'm being dense. If we was opening, moving 395 money in our operating budget over to a Bartlesville bank, rather than down here.

CHAIRMAN WALLER: OK.

COUNCILMAN CRUM: That's what I understood we did. So, that's what we're trying to do, or – How in the world did any of that money ever get to OST for them to be having it or want to close it out? I'm confused on what was just said.

CHAIRMAN WALLER: The Bureau of Indian Affairs handled this account forever, probably until 2000. We still had it under us as a Tribal Council. They held the account. They did the sales. We never had the interaction with the Council, at that part. So this account took this money, and then it's been setting there all this time. OST has given us an option here as a Tribal – Minerals Council to allow us to close this account. Now, the other option was to go after the CD we have, and I thought this would be better as a tracker from OST. Yes, sir.

COUNCILMAN CRUM: OK. That helps me a little bit, and the reason stated was to pay bills with.

CHAIRMAN WALLER: Attorney. Yes, sir.

COUNCILMAN CRUM: Attorney fees.

CHAIRMAN WALLER: Yes, sir.

COUNCILMAN CRUM: OK. But, I wonder, is there something that has to happen on this quickly? Perhaps what we meet a week from Friday? Regular meeting? Could we all listen to OST's story on what they're doing, where the money come from, all that kind of stuff, so I can make a better decision on what we're doing?

CHAIRMAN WALLER: Of course, we can. But I didn't know about the closing of the P.L. account. I thought we could leave it as zero, in case we wanted to – I asked OST to leave us some accounts.

COUNCILMAN CRUM: On this, I know I'm probably not understanding very good, being dense, but I'm not following this deal. At last, I know we had a meeting. We talked about all the different accounts we had within the settlement. We actually closed out some accounts.

CHAIRMAN WALLER: That's correct.

COUNCILMAN CRUM: -- and put the money in to be paid out.

CHAIRMAN WALLER: - and disbursed.

COUNCILMAN CRUM: Disbursed out. Now, we needed a settlement to do that, because we had a Court say, to do that, or, you know, agreement with Treasury? Whoever the heck we made the agreement with? It's been a long time since we did that.

CHAIRMAN WALLER: Correct.

COUNCILMAN CRUM: But, we closed out a bunch of accounts, at that time, we thought that were unnecessary, and tried to get the money into the shareholders' hands. I do not remember this account. That doesn't mean it hasn't been there, forever. But, I'll have a rough time bringing this one up in my memory. So, I wondered if we could get the OST folks here and – in Executive. I would like for it to be in

Executive to ask the questions about what these are, and what can be done with them. We'll be here a week from Friday. I would suggest we do that.

CHAIRMAN WALLER: I would feel comfortable with Janelle, and she'll be back from travels. She's detailed out in Albuquerque now. Joy can handle it, also. Let's do that.

COUNCILWOMAN ERWIN: I'm not dense, so when they're at it, let's talk about that Osage Council monies, that 1.8, because I don't have a clue what you're talking about there, and I'd like to find out more about it. Because this is the first time I've ever heard it mentioned, sir.

COUNCILMAN CRUM: Who was that on the second Minerals Council –

COUNCILWOMAN ERWIN: Well, you know about it, but I don't know about it.

CHAIRMAN WALLER: I was here. They took care of it all right here.

COUNCILWOMAN ERWIN: I'd like to have them to bring that up. I want to know what's in that.

COUNCILMAN CRUM: That'd be great.

CHAIRMAN WALLER: Friday? If you will, put it on our agenda. OST during Executive. With that, I can take a motion to adjourn.

COUNCILMAN CHESHEWALLA: Yep

CHAIRMAN WALLER: I have a motion by Councilman Cheshewalla. I'd like a second.

COUNCILWOMAN ERWIN: I second it.

CHAIRMAN WALLER: With that, let's call the roll.

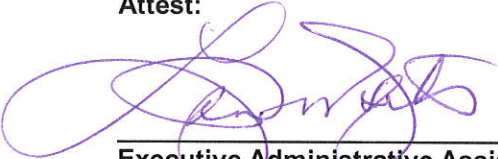
MOTION PASSED: STEPHANIE ERWIN-YES, TALEE REDCORN-YES, EVERETT WALLER-YES, ANDREW YATES-YES, CYNTHIA BOONE-YES, JOSEPH CHESHEWALLA-YES, GALEN CRUM-YES.

Adjournment – 11:00 A.M.

Approved:


Chairman

Attest:


Executive Administrative Assistant