

**OSAGE MINERALS COUNCIL
REGULAR MEETING
JULY 20, 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 10:10 A.M.

Opening Prayer:

Councilman Talee Redcorn asked Eddy Red Eagle, Jr. to give the opening prayer.

CHAIRMAN WALLER: Before we start, I'd like to recognize some of my people.

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: Janel Perry-OST, Joy Ledbetter-OST, Eddy Red Eagle, Rosemary Wood, Florence Bigheart Trantum, Cecelia Tallchief, Prin. Chief Charles Tillman, Prin. Chief John D. Red Eagle, Jamie Sicking, Mike Magley, Joe Tillman, Louise Red Corn, Beverly Brownfield, Teresa Bates Rutherford, Carmeleta Childers, Randy Lawson, Aaron Lawson, Bob Lueppe, Steve Brunner, John Maker, and Nona Roach.

Accountant Reports: Jim Swan

CHAIRMAN WALLER: With that, I'd like to add in on our Accountant's reports. Mr. Swan, go right ahead.

JIM SWAN: OK. The Osage Information Sheet for June. In June, we collected \$2,853,084.81. Our average price for a barrel of oil in May was \$45.23/bbl. Average Highest Posted Price in June, \$45.22/bbl. Today, that price was \$42.00. Our average daily oil produced in May was 12,041 barrels. Our gross barrels produced in May was 373,583 barrels. Royalty barrels were 57,261. Our royalty barrels over gross barrels was 15.34%. Our total oil royalties in June was \$2,594,578, gas royalties was \$171,594. Our tank bottoms were \$307.00, which gives us a total of oil and gas royalties collected in June at \$2,766,479, and in May, we made \$1.82/bbl. Bonus.

CHAIRMAN WALLER: Council, do we have any questions? Does that take care of everything? Thank you, very much. Appreciate it. Did anyone have any other questions on the Accounting report received?

COUNCILMAN REDCORN: Thank you, Chairman. In referring to the S-510, I just have a couple of questions. Is that person available?

CHAIRMAN WALLER: Mrs. Young and Mrs. Roe.

COUNCILMAN REDCORN: They not here?

CHAIRMAN WALLER: No. If you'd like, I can have them called...

COUNCILMAN REDCORN: That's fine. I'll chat later.

BIA Report:

CHAIRMAN WALLER: Thank you. I'd like to move on to Number 5, BIA Report. Superintendent?

SUPERINTENDENT PHILLIPS: During the month of June, Branch of Field Operations reported 94 lease inspections and 17 follow up; 48 gas meter calibrations; 33 tank strappings witnessed; 24 spills/leaks inspected; 26 inspection/follow ups; 38 tanks were gauged. The Branch of Lease Management reported 12 assignments; 85 Division Orders were approved; and 21 leases were terminated. Producing wells for the month of June, 18,111 less 3,279 for salt water disposal wells for a total of 14,832. The Branch of Sub-Surface Minerals reported 7 drilling permits that were approved; 12 workover permits were approved and 11 plugging permits that were approved. Branch of Enforcement and Lease Compliance reported a number of 24 non-compliance notices that were sent out in the month of June. Inspections were made by the Branch of Enforcement and Lease Compliance, and we were able to close out 16 spill closure incidents. That, basically, is my report.

CHAIRMAN WALLER: Do we have any questions? Councilman.

COUNCILMAN CRUM: I have one that, but not necessarily actually, off of the report, the APAC and Candy Creek. In the past, if the Council remembers, we have been trying to enforce what we found out to be the CFR for 10% of...

CHAIRMAN WALLER: Royalty?

COUNCILMAN CRUM: ...royalty for rock and related materials. It was my understanding from previous reports by the BIA that all the leases or permits for their rock and sand would come up every five years or so. So we should be seeing those folks and getting them to forego their 10%. A report should give us a lot of value, so that was what we were told by the BIA was not correct, but there were some of them had opened and never had to come back, say, forever. To me, that created an unfair situation. So, my question to you is, since those leases that were not paying us the 10% are a violation of CFRs, and probably were not intentionally exhibited from that by a previous Tribal Council. I don't believe they knew that was the case. Would that trigger the ability to bring those companies in and negotiate with them? Perhaps that's the will of the Council to impose the 10% on them, also, so there's not some people working on an unfair advantage, that we're getting that from. Will that fact trigger that fact, so the BIA will be bringing them in to renegotiate?

SUPERINTENDENT PHILLIPS: I would have to probably run that past our attorneys. What I would recommend that you do is, at this time, I know that the last Minerals Council, the same question was brought up and started looking at our leases, and those that they had it in there, as long as it was under production, and continuing to mine for that purpose. What I would recommend is a letter from the Chairman to your concern, that it is your concern in asking the Osage Agency to have that reevaluated as to whether or not the Osage Agency would be able to contact the individuals and say that they needed to come back in and renegotiate. We could do something to that effect. We'd have to ask our attorneys.

COUNCILMAN REDCORN: Chairman. Thanks for the understanding, but we've talked about this before. We've talked about this specific issue, I'd like to bring it out to the Council and to the Bureau that we had a case August 10, 2015, through this Council the ability to set the value of our assets. So, the response I got from you, Ms. Phillips, is that you can always go up, but that's half the story. You can go the other way, too. In 1949, we had a referendum of headright holders voted, at that time, a referendum to lower the royalties from Burbank operations. Now, from my seat, I can't speak for all. I think if you put that in jeopardy to what – I'm appreciative of the August 10, 2015 ruling. It gives us the ability to keep a massive operation going with it. So the ability to determine value, in my mind, it still rests in this Council. So, I just want to make sure, and I'd like to check with our attorney about this issue. Maybe if we can have him talk with yours. We want clarification on where that stands. I feel like we've got a clear understanding on oil and gas. Seems like the sand and rock, these minerals are still may be operating in the old way. Maybe, let's have a

communication and see if we can get that straightened out on both our ends. So, if that's OK, I would like to bring that up to our attorney. Thank you, Chairman.

CHAIRMAN WALLER: Councilman Yates.

COUNCILMAN YATES: I'm listening to what Councilman Redcorn has to say. That's fine. We ought to be able to negotiate a fair price. But I'd also think it'd be interesting what it says in that letter to keep that option open, so if we do need to, we can call in the other rock quarries to renegotiate. I was under the impression, also, every five years, we had a yearly permit issued. Every five years, we'd review it. So, I'd like to see that option to review it. This is an option.

CHAIRMAN WALLER: Yes, sir. Councilwoman Boone.

COUNCILWOMAN BOONE: Just a housekeeping measure. I made a trip over to the Bureau of Indian Affairs, and saw what was in the operator's room, there's the regulations for the final rule from May, 2015, and I was wondering why were they there? They're obsolete, now, so why were they there as if they were a handout? You don't know? The reason I know that those old regs, that final rule was there is because I picked one up, when I was over there. I found it odd that you would be having a handout that is not correct for people to pick up and take it.

SUPERINTENDENT PHILLIPS: Those handouts were probably put there when we were going through all that, and I'll see that they're removed.

COUNCILWOMAN BOONE: Thank you.

CHAIRMAN WALLER: Councilman Cheshewalla.

COUNCILMAN CHESHEWALLA: Yes. There's a new company here I don't recognize. I wanted to ask you all about them. Cardinal River Energy. Who'd they buy out?

DEPUTY SUPERINTENDENT WINLOCK: Oh, they've been here, probably eight years.

COUNCILMAN CHESHEWALLA: Where at?

DEPUTY SUPERINTENDENT WINLOCK: Over by Ponca.

COUNCILMAN CHESHEWALLA: Over by Ponca? OK. I thought maybe they'd might buy out

DEPUTY SUPERINTENDENT WINLOCK: They've been here about eight or nine years.

COUNCILMAN CHESHEWALLA: They have been? OK.

CHAIRMAN WALLER: Are they over there by the starline?

DEPUTY SUPERINTENDENT WINLOCK: Yes. They're actually south of there.

CHAIRMAN WALLER: OK. Thank you. Councilman Crum.

COUNCILMAN CRUM: I'd like to go back to the dock situation. Before we can actually even set our own price, as Councilman Redcorn stated, we had the right to go up or down, and I believe our actions of setting a 10% for the others would bring upon us the responsibility to make sure what we're doing to all operators. As I stated, the Council decided what they were going to take, but I think we need to bring them in, so at least we'd have an option correcting an injustice.

CHAIRMAN WALLER: What does everyone think? Trust responsibility says that's their job. We were already told they were going to go back in, review these people, and bring it to us, let us know, as Councilman Yates is talking about where it's at. Now, we were told that in this Chambers by Jeanine Hale. You all agree with that? Has anyone seen it? I know I haven't. A fiduciary trust has many angles to it. This is going to be one of them. We didn't come up with the 10%. Our Trustee came into these Chambers and told us, 'Oh, we should have been getting that'. That's not our job to fix his wagon. That's their broken wheel. We got to help on this. So, that's what we need, that report, who it is, what they're paying, and how long they've been paying. Is that alright with you folks? Now, Councilwoman Erwin.

COUNCILWOMAN ERWIN: OK. I really don't want to talk about injustice, because that could be a sure long subject here. But, our first loyalty and our responsibility is to the Osage annuitants. Period. Thank you.

COUNCILMAN REDCORN: Thank you, Chairman. Again, when we started this discussion, it was, as Chairman said, as we were given this 10%, which sounds good to me, that's what we want to be aware of, was that those decisions rests in the job of this Council, and the Bureau in my mind. I just want some clarification on this. I see the leases that are out there. Now, if we have a lease out there that did not come through here, and was blessed by Council to operate in such a revenue set up and agreed to by both parties, yeah, I'm in favor of bringing it in. But if we, later move forward the resolution out of this Council, then, to me, that's a separate issue. If Councilman Yates would like to bring him in, I don't see a problem with that. I just want to be clear that the decision set value for the Osage Mineral asset rests in the hands of the Osage Headright Holder, and that was decided August 10, 2015, in my mind. I've got some other things, and I'd like to hear your response. Sorry to jump in here. I've just got a couple of questions on the report. What are your findings on gas metering inspections, please?

DEPUTY SUPERINTENDENT WINLOCK: On the buying, where you...

COUNCILMAN REDCORN: You're inspecting...what are...

DEPUTY SUPERINTENDENT WINLOCK: I'd have to look at the reports myself, but as far as, are you talking about errors, anything like that?

CHAIRMAN WALLER: Have you ever had to handle one in discrepancy?

DEPUTY SUPERINTENDENT WINLOCK: Sure.

COUNCILWOMAN ERWIN: May we have a copy of all the reports?

DEPUTY SUPERINTENDENT WINLOCK: Sure, you can.

COUNCILMAN REDCORN: The second question is, and I'm getting some communication from our gas consultant, Susan Forman, just writes a letter to me, saying that gas purchase contracts, she feels, these are updated, and that we are paying well below market value. So, we're in business, or at least, I think we'd like to make sure that the Osage Headright Holders get each and every dime that's going to them. I'd like to visit with, and she's also recommending that we go to this first gas contracts and gas drain chains class, given by SOEI. They're responsible for the Oil and Gas Summit, the gathering in Oklahoma City I'm planning to attend. So, I thought about, if it's OK, we communicate if I can attend and if someone from the Bureau would like to attend this course, just to see if there's anything they can do if we can consider and practice things that would capture extra value. In my tenure on Minerals 1, we had a lot of communication with the Bureau back then. I felt like oil and gas was well handled, the team, the field was doing great. But, at that time, the Bureau kind of said, 'Yes, let's get our processes better with gas, and we'd love to work with you on that. So, is that something you would be interested in? Maybe I can, maybe one of your folks can.

COUNCILWOMAN ERWIN: We've already been attending issue. You're talking about issue training in Oklahoma City?

COUNCILMAN REDCORN: Yes, sir.

COUNCILWOMAN ERWIN: Yes.

COUNCILMAN REDCORN: OK. Very good. Alright, thank you.

CHAIRMAN WALLER: Councilwoman Erwin.

COUNCILWOMAN ERWIN: OK. Mr. Winlock. Do you know whether or not we have any liquid gas contracts?

DEPUTY SUPERINTENDENT WINLOCK: I'd have to check into it.

COUNCILWOMAN ERWIN: OK. You don't know right off the top of your head?

CHAIRMAN WALLER: Ma'am, would you repeat that?

COUNCILWOMAN ERWIN: I'm curious. I'm looking for gas contracts, with the gas royalties. I can't seem to find anything anywhere. So, if you would, please, I'd like to know what contracts you have and who they're with. If we do have such a thing in Osage County.

DEPUTY SUPERINTENDENT WINLOCK: Sure.

COUNCILWOMAN ERWIN: Thank you.

CHAIRMAN WALLER: Anything else? Superintendent, is there anything you'd like?

SUPERINTENDENT PHILLIPS: Yes. I was thinking we were already reporting on trying liquid gas, but I don't see it there. Before the Osage Agency approves any lease under 2144226, there is a requirement of the Osage Minerals Council resolution. So, on the ones that were previously approved under 214, before Ms. Howell brought it to your attention that the regulations actually say the 10%, we did have resolutions to that. So what we can do is to prepare a report and identify and provide all that information to you, so that you, collectively, can review it. I think that maybe that will help.

CHAIRMAN WALLER: That was how many months ago? Was it March? February? In any case, that's exactly what we'd like to see. Council, you have any other questions?

COUNCILMAN REDCORN: One have one.

CHAIRMAN WALLER: Go right ahead.

COUNCILMAN REDCORN: I'm sorry. I appreciate the Coffeyville reports. We were looking at some of the reports from the quarterly reports, and just the amount of data you all are handling, I know it's challenging, but we'd like to improve the process. That's the kind of flavor of our inquiry, but the Coffeyville stuff is really good, making sure I get a chance to review all that, and hoping maybe working with our new staff person to get all the information out for our shareholders. So, if there's any thoughts on any of the information you're providing us, you have anything, thoughts on things that are not supposed to go out, we can have that conversation, but I'd like the stakeholders, which is our Osage Headright Holders understand where our dollars are going, and how it's being calculated.

SUPERINTENDENT PHILLIPS: I would like to propose, and I brought this up before, when the Minerals Council was approached to receive some type of proposal by an oil/gas company, or someone interested in getting a lease under 214, if you could share that information with the Agency, so that we would have a heads-up, and be able to maybe advise you as to what we're looking at. That would hopefully help you – help me help you. So, I come over to these meetings, kind of like with the liquid gas, as far as looking, because I thought we were reporting on that. But I will ensure that it's in there in the future. But, in order for us to improve maybe working together, if we'd get a heads-up as to what's going to be on the agenda, or whatever's in your book, I would appreciate that.

COUNCILMAN YATES: There is some reporting on liquids – dry gas since January, 2016 at the current money - it doesn't have June, and it matches the previous page where it shows the purpose, and I'm not sure if it's complete or not, but it's Ceja Corporation liquids, and it said what it was below it. It was Superior, it's kind of active out West, and I do know that they have an active liquid production there in Grayhorse. I see those trucks going in and out of there, several times a day.

SUPERINTENDENT PHILLIPS: I'm glad that you were reporting that, so, I'm glad you got it.

COUNCILWOMAN ERWIN: I still don't have a copy of it. Please.

SUPERINTENDENT PHILLIPS: OK

CHAIRMAN WALLER: Councilman.

COUNCILMAN CRUM: This, kind of off the subject matter, it's been well established awhile about our gas purchase contracts. Our problems for us, in terms of what we're doing, if you review those contracts, which we all get to review beforehand, just like the oil purchase contracts. Much of our liquids on some of those contracts is given away. It's not even paid for to the producers. So, they're not getting paid for it to us, either, of course, given away. If you look at them, we're giving away approximately half of our gas stream, and then what we are being paid for is, often times, far below what market value is. That was one of the reasons that we dealt within the negotiated rulemaking on the gas, the way it ought to do it. In order to change that, you have to change the gas purchase contracts. I thought it would be something that we would have to figure out, how we trigger doing all of that. It's fast. It's been established for quite some while, even in Minerals Council 1, where they were able to look at it. They didn't get to see the books on it as well as Minerals Council 2, where they threw everything open after the settlement. Yes, it would be very helpful for everybody to study that, and you'll get to see it. The quarterly reports we get have all the gas sales, all the same what you see on the Coffeyville report for oil. I didn't see the sales, but did see how much was removed, how much was liquids, how much was dry gas. You can see that in the quarterly reports that we get from the BIA and have been getting them for a long time. The Coffeyvilles are a really good way to look at it. Short term, short hand, but I would encourage the Council to look at those quarterly reports. There's much more information in that. Thank you.

COUNCILMAN REDCORN: Just to add on to the conversation, as it's going here, I believe a copy of the report, we met with Ms. Phillips and some of the crew and the BIA in their chambers on the Coffeyville report, which I think that tells us the story on kind of how the Bureau is handling and validating the procedures to get us a good report into the quarterly report. So, I think both of those, I appreciate the thought that we go – We very much want to review that quarterly report. We've had some conversations, recently, with Mr. Swan. The Coffeyville report gives us good input from the Bureau, exactly what all steps and procedures that they're doing in the field and in the office. We appreciate your summary of that data, a very good summary on how we're accounting for on our oil side. So, I'm still in favor of it. I've got some communication with Susan Forman. There's other contractors out there that are consultants. We'd like to just start the process and see what we can do on Minerals Council's side. I think you do a great job. Thank you, Chairman.

CHAIRMAN WALLER: Superintendent, you quoted 214. How much of that are you going to use on the CFRs?

SUPERINTENDENT PHILLIPS: Sorry, what?

CHAIRMAN WALLER: You quoted that you were going to use 214 226. How much of 214 are you going to involve us in?

SUPERINTENDENT PHILLIPS: On 214, we will provide you with a report as to all the leases you have under 214, as well as provide you with copies of the resolutions.

CHAIRMAN WALLER: Transparency.

COUNCILWOMAN ERWIN: See what's in existence, right now.

CHAIRMAN WALLER: Council, do you have any other subjects? I'd like to close with one. When we get to City of Skiatook, we're going to permit out, but then that report that you're going to have is going to show something was taken before they received it. Make sure to clarify that and give them full compliments on what happens when you break a Federal law in the Osage. Especially from a place that my Nation gave them their home. Very few tribes have given up anything, and then I want St. Louis back, too.

COUNCILWOMAN ERWIN: Here, here. Here, here.

CHAIRMAN WALLER: Thank you, ma'am.

NEW BUSINESS

AT&T – Sandy Soil Permit:

CHAIRMAN WALLER: With that, the next new business item we go to is the AT&T Sandy Soil Permit. We've reviewed that and talked about it. I'd like to go ahead and send them the actual letter that allows them to complete their project. Is there anything you'd like to add to that? We'll have that out, today. The AT&T one.

PL Account:

CHAIRMAN WALLER: PL Account. Yes.

COUNCILWOMAN ERWIN: I'd like to table this, if we could. Our attorney will be here, this afternoon. I think it needs to be addressed by him to us. If we could, sir?

CHAIRMAN WALLER: Is that fine with Council?

COUNCILMAN CHESHEWALLA: Is that what we need, though, in tabling it?

COUNCILWOMAN ERWIN: I don't know. I'm asking you.

CHAIRMAN WALLER: Yes, sir.

COUNCILWOMAN ERWIN: Or is it up to him.

CHAIRMAN WALLER: Would you put that up in the form of a motion?

COUNCILWOMAN ERWIN: Yes, I make a motion that we table the subject matter of the P.L. Accounts for the July 20, 2016 meeting, and we table until our attorney gets here, this afternoon.

COUNCILMAN REDCORN: I second that.

CHAIRMAN WALLER: I have a motion on the floor by Councilwoman Erwin, second by Councilman Redcorn. No discussion. Call for the question.

MOTION PASSED: CYNTHIA BOONE-YES, JOSEPH CHESHEWALLA-YES, GALEN CRUM-NO¹, STEPHANIE ERWIN-YES, KATHRYN RED CORN-YES, TALEE REDCORN-YES, EVERETT WALLER-YES, ANDREW YATES-YES².

CHAIRMAN WALLER: With that, I'd like to entertain a motion to go into Executive Session. Councilwoman.

COUNCILWOMAN RED CORN: I just had a question for the Superintendent. On July 18, Miss Bigheart-Tranum sent a letter to you. Have you answered that, yet?

SUPERINTENDENT PHILLIPS: I've received the letter. I haven't prepared a response, but I will cc: you on it.

COUNCILWOMAN RED CORN: There are questions on here that need to be addressed and to clarify some things.

SUPERINTENDENT PHILLIPS: OK.

CHAIRMAN WALLER: Councilwoman Boone.

COUNCILWOMAN BOONE: Could you have Councilwoman Red Corn repeat the question, because I couldn't hear you.

COUNCILWOMAN RED CORN: Excuse me. I just wanted to know if the Superintendent had responded to Ms. Bigheart-Tranum's letter, dated July 18.

COUNCILWOMAN BOONE: Oh, OK.

COUNCILWOMAN RED CORN: You should have a copy of it.

COUNCILWOMAN BOONE: Thank you, Mr. Chairman.

CHAIRMAN WALLER: That'll take care of it. Before we go into the motion, I want to do a little housekeeping. This information these gentlemen have, they'd like to hand out to us. Mr. Nack, would you, possibly before we break, hand our Council these books, our history, before they're destroyed? They wanted to bring them to us, and if you will, please?

SPYGLASS: Thank you for letting me take just a minute. These come from one of my partners in Spyglass, who's a history buff and worked his entire career here. These were surplus in library, probably going to be disposed, and we thought of you, and it's a written report from 1938 of geology in Osage County, Department of the Interior. So, please.

¹ COUNCILMAN CRUM: During the vote, Councilman Crum said, "No, I think this was said a long time ago, in getting the money to the shareholders."

² COUNCILMAN YATES: During the vote, Councilman Yates said, "I'm going to vote 'No' for the same reasons Galen made. I think if we access this account, it should go to the shareholders."

COUNCILMAN REDCORN: Thank you for this. We appreciate that. We've heard about this information from Shane Matson, and this report is...

SPYGLASS: That's my partner's final items. That's the reason he found them.

COUNCILMAN REDCORN: Thank you.

SPYGLASS: He asked me to send them to you, today.

CHAIRMAN WALLER: Thank you, so much. We appreciate it.

COUNCILMAN REDCORN: With this report, and with the information we got on production history, is that we were successful in getting out of the Bureau and getting the ability to give us a pretty good composite sketch given us his sense of what the future is, within the Osage. It's quite an extensive report. Of course, it's something to have, but wanted to know that his comments were a lot of that information that came out of this production histories that we have and nobody else has in Oklahoma, so again, we appreciate it.

SPYGLASS: Thank you.

CHAIRMAN WALLER: Councilwoman.

COUNCILWOMAN ERWIN: I do appreciate this, and if he finds any other things like Oswego maps or Mississippi maps, ours seems to have been taken to the recycling center, and if he comes across those, we'd surely appreciate a copy of those originals.

CHAIRMAN WALLER: Gentlemen. With that, I'd like to entertain a motion to go into Executive.

COUNCILWOMAN ERWIN: I make a motion to go into Executive.

CHAIRMAN WALLER: Do I have a second?

COUNCILMAN CHESHEWALLA: Yeah.

CHAIRMAN WALLER: I have a motion on the floor by Councilwoman Erwin, second by Councilman Cheshewalla to go into Executive. Without any discussion, I'd like to go into Executive to discuss these new items.

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

CHAIRMAN WALLER: Thank you. With that, I'd like to take a short recess, and we'll be back in Chambers.

CHAIRMAN WALLER: I have a motion on the floor by Councilwoman Erwin, second by Councilman Redcorn. Do I have any discussion? Call for the question.

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

EXECUTIVE SESSION: 10:42 a.m.

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COMING OUT OF EXECUTIVE SESSION 12:05 p.m.

CHAIRMAN WALLER: I'd like to ask to entertain a motion to come out of Executive Session.

COUNCILWOMAN ERWIN: I make a motion that we come out of Executive Session.

COUNCILWOMAN BOONE: I second it.

CHAIRMAN WALLER: I have a motion on the floor by Councilwoman Erwin, second by Councilwoman Boone. No discussion, call for the question, please.

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

CHAIRMAN WALLER: Thank you. Without any vote coming out of Executive, I'd like to ask if there are any comments from Council.

CHAIRMAN WALLER: Hearing none, I'd like to go ahead and move on to article, Old Business.

COUNCILWOMAN RED CORN: Wait.

CHAIRMAN WALLER: Yes.

COUNCILWOMAN RED CORN: Aren't we going to make a statement about...

CHAIRMAN WALLER: That's what I was just asking.

COUNCILWOMAN RED CORN: Yeah. OK.

COUNCILWOMAN ERWIN: That's what I was going to say.

CHAIRMAN WALLER: The floor's yours, dear.

COUNCILWOMAN ERWIN: About the Trust? Is that what we're talking about? OK. We've come out of Executive Session, and the Minerals Council, we've decided to reinforce our Trust, and basically, that's what we're working towards. So, if anybody should ask you, that's what it's about.

CHAIRMAN WALLER: Thank you, dear. Yes, Councilman.

COUNCILMAN YATES: I'd just encourage the shareholders and any vested Osages, such as my daughter, to Google or look at the Indian Nonintercourse Act, 25 USC §177, and review that, and then you understand what the Council's been looking at.

COUNCILWOMAN BOONE: Could you repeat that?

COUNCILMAN YATES: That is the Nonintercourse Act, 25 USC §177.

CHAIRMAN WALLER: Any other comments? Councilman.

COUNCILMAN CRUM: ...I don't think we are covering the questions that people are asking. I still feel down by not being able to talk to people about it.

COUNCILMAN REDCORN: Would it be OK with the Council if Councilman Crum make that summary and give it out? You provide the summary.

COUNCILMAN CRUM: OK, I've taken my time, because I am cognizant getting on the losing end of the vote, so I don't want to jeopardize anything. As Councilwoman said that we were looking at the Trust to establish was one of the ways we were looking at it is to see whether... See, what the effect was the Osage Constitution upon the Minerals Estate, in terms of management and ownership (*conversation being had during his testimony*) towards the questions. At this point, there's not any will being stressed to bring any kinds of lawsuits over the question. But the attorney...

COUNCILWOMAN ERWIN: There you go.

COUNCILMAN CRUM: ...I know. But the attorney, we asked him for guidance, and some of the guidance was there were avenues to pursue if the Minerals Council wished to do that, and decided it was appropriate, in terms of establishing that in some other fashion. The will of the Council seems to be, at this time, to do further research. And if that makes sense to you, I'll be amazed.

COUNCILMAN YATES: I'd like to make a correction.

CHAIRMAN WALLER: Yes, Councilman Yates.

COUNCILMAN YATES: I mentioned my daughter. I should have said daughters and all Osage shareholders and Osages with a vested interest in the Minerals.

COUNCILWOMAN ERWIN: Three? Wow.

CHAIRMAN WALLER: Thank you, Councilman. Is that it? Any other?

OLD BUSINESS

Robert's Rules of Order: Councilwoman Red Corn.

CHAIRMAN WALLER: I'd like to move under Old Business, Robert's Rules of Order. Councilwoman Red Corn.

COUNCILWOMAN RED CORN: There was a question last week about a vote that we took, and we need to establish how we do business, and so we've always operated under the Robert's Rules of Order. So, this resolution is to just state that we continue to use Robert's Rules of Order in the revised edition. So, there was a question on the vote that we had, and we may want to open that up to a discussion, because of the way the vote was, and whether we count abstention votes. So, that's the question we have on the floor.

CHAIRMAN WALLER: Yes. Is there anything you'd like to add to that?

COUNCILWOMAN RED CORN: No, I would just like to say that we have always operated under Robert's Rules of Order, and I would like for us to continue to do that...

CHAIRMAN WALLER: Would they not leave a comment from Robert's Rules of Order, newly revised? There may be fewer votes cast than the number of members present, and some may choose not to vote or abstentions, only those who actually voted is required. If, for example, there are ten members present at a meeting, four voted in favor, three voted against, and four in favor a majority of seven cast votes; therefore, it is adopted. Is there any other comments?

COUNCILWOMAN RED CORN: Just that that question is covered in the revised edition.

CHAIRMAN WALLER: Yes.

COUNCILMAN YATES: Did you make a motion?

CHAIRMAN WALLER: Would you like to put that in a motion?

COUNCILWOMAN RED CORN: Yes. For my resolution.

CHAIRMAN WALLER: The one we just got handed.

COUNCILWOMAN RED CORN: Yes. The one that was just handed to you.

COUNCILMAN YATES: I'll second the motion if she made the motion to it.

CHAIRMAN WALLER: Yes. I have a motion on the floor by Councilwoman Red Corn, second by Councilman Yates to do a resolution adopting Robert's Rules of Order to be used in all Council meetings.

COUNCILWOMAN BOONE: Question.

CHAIRMAN WALLER: Open up for questions.

COUNCILWOMAN BOONE: Should it say 'Revised Edition'?

COUNCILWOMAN RED CORN: Well, you know, I think if we use it, then you would automatically use the revised edition.

CHAIRMAN WALLER: Council, you have any other...Yes.

COUNCILWOMAN ERWIN: I know why this was brought up. So, what is that...how is a resolution that we previously had the question about, what does it have to do with that?

COUNCILWOMAN RED CORN: I think that when we had our discussion afterwards, that we agreed since it had already passed that morning, it would be alright.

COUNCILWOMAN ERWIN: Alright.

CHAIRMAN WALLER: Thank you so much. Any other discussion? Call for the question.

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

COUNCILMAN CRUM: If you have a copy of that paragraph that you read, pass it to the amendment for the resolution.

CHAIRMAN WALLER: Mr. Brock, order us ten of these. Yes, I sure will *(To Councilman Crum's question)*.

Meeting Minutes:

CHAIRMAN WALLER: With that, I'd like to go under Minute Meetings. Would anyone like to entertain a motion to adopt our minute meetings?

COUNCILMAN REDCORN: I got a comment on minutes, if I can do. Thank you, Chairman. I believe, real quick, we talked a lot about it, Friday. Lou Brock is almost verbatim minutes. I'd like to propose that once he's done, go ahead and get those minutes out there. Seems to me, the changes are change a word from 'and' to 'but', or 'a' to 'and'. Those small things that flavor what we're saying are precise. So, we get them out there, as soon as Lou's done, he puts 'DRAFT' on that with a little warning on the website, 'Beware shareholders, these are only drafts. After Chairman signs and approves, Mr. Brock removes 'DRAFT' and they are official then.

CHAIRMAN WALLER: We'll go check our office, and see.

COUNCILWOMAN RED CORN: Second.

CHAIRMAN WALLER: Discussion. Go ahead.

COUNCILMAN CRUM: I'm sure Lou tried his best. I didn't read everybody's, but sometimes a word is left out, and can change the meaning. When you're trying to do word-for-word, and you make a mistake, it can change the meaning. In other words, there's one of them here, for example, whereby we're talking about the meeting with Congress people, and I made a statement on how that was dangerous for us and stuff, and what I said was I was in favor of having Congress people do that. Well, there was a huge bunch of talk about how I was not in favor of that. So, if you read and accept what was there, he left out 'I was not' there. I've always said we should have a synopsis of what was said and then use the tape as the word-for-word. The danger I see in doing any word-for-word, which is just that, that no matter how hard you try, if you have a trained stenographer, you listen to the tape, and say it word-for-word, and he's going to make mistakes. I've got a whole bunch of them. So, some got by with nothing, and my statements, I can't remember what other people said, but I have a whole bunch circled what I said was not what was reported. So, it makes no sense, whatsoever. I'm sure that's not a shock to you, but some of it was not what I said, and made it what I could say made no sense whatsoever, because a single word or phrase, or he missed word-for-word and put in a word, I don't even know what it means. So, it's a problem doing it that way, and I know we're way behind, and I want these caught up and doing one month at a time wouldn't be such a problem. I wonder in order to get caught up, I might talk to Councilman Redcorn's suggestion that we get caught up and work with him to get them out and do them. But in order to get caught up with these, I wonder if you might take it to pieces and make sure that everybody has it in, and turn in the revisions, and get it cleaned up. I have a bunch of them here that will take a while for him to clean up mine, if I read them all off. It would be a lot. I suspect others have similar things, I don't know. But it does change the meaning.

COUNCILWOMAN ERWIN: I'm kind of confused what you're getting at.

CHAIRMAN WALLER: Ma'am. Let me get to her first.

COUNCILWOMAN ERWIN: OK.

CHAIRMAN WALLER: Actually, Councilwoman Red Corn.

COUNCILWOMAN RED CORN: We have an opportunity to go over these minutes and correct them. So, I don't know why we have to go over this again. We already said we wanted verbatim minutes and every one of us had an opportunity to go over it and change it, and submit it to the secretary. So, I don't know why we have to do this again.

CHAIRMAN WALLER: Yes, ma'am. Councilwoman Boone.

COUNCILWOMAN BOONE: The verbatim minutes are fine, but I found...and I'm concerned with exactly what Councilwoman Red Corn brought up. We each had an opportunity to, but do we? I was reading

through the minutes and I had an issue with something Councilman Yates is reported to have said, but I don't believe Councilman Yates said that. Did you find that, Councilman Yates? A mistake?

COUNCILMAN YATES: You refer to the...

COUNCILWOMAN BOONE: I left my minutes at home. I left my minutes at home.

COUNCILMAN YATES: I've read through...I didn't read them all. I read through several, and there were some that...grammatical errors, wasn't exactly what I said, but the gist of the argument is there, and I can live with whatever, however he reported it. It's not that important. I'd like to get caught. I'd would like to say, I don't like them verbatim. I'd rather just have...most minutes I've seen are using a summation of what's presented and a quick vote up or down, and it's very simple. This verbatim, it's, you know, that's several pages.

COUNCILWOMAN BOONE: But they call me that I saw was wrong that you had said pertained to an amount, and it was written in cents. I don't think you've ever spoken about anything going in for cents on the dollar. That was the mistake I found. It escapes me what date it was. Thank you, Mr. Chairman.

CHAIRMAN WALLER: Thank you. Councilwoman Erwin. Thank you, dear.

COUNCILWOMAN ERWIN: I was just trying to get back to the question, here. Are we asking whether we could put up on the web page, even though they haven't been corrected, and say, these aren't the corrected ones? These are ones you can read, and correct them, and we can put back on here? What are we doing here?

COUNCILMAN REDCORN: Mr. Chairman?

CHAIRMAN WALLER: Yes.

COUNCILMAN REDCORN: We're asking that once he's done with them, he puts them on the website the letters, "DRAFT". Once Council approves, he takes "DRAFT" off, and on the website with a warning these are not official, so if there's any discrepancies, you can't hold the Councilman, Councilwoman to these, because they're draft form only and have not been approved, something of that effect. I'll give Mr. Brock that license to put that kind of language in it. My feeling, Chairman, is that my two tenures on the Minerals Council is we struggle with minutes, and we're a \$60 million a year oil organization, oil and gas, and minerals. I think we need to get our info out quick, and in trying to get these minutes out, it could be months, and they're not relevant anymore. So, I think it'll keep us all doing what we need to do, and get these minutes out there quick, so our constituents can read – and our constituents are very intelligent people. They can ascertain and they'll pick up the phone and call, 'Hey, did you really say this?' and you've got your chance to call Lou and say, 'Hey, correct this' and I don't think Lou would have any problem putting what you want in there, and validating that. So, that's the motion, and Chairman, I ask for the vote. There's a motion on the floor and a second.

CHAIRMAN WALLER: Yes, please. Read the motion again.

LACEE: Tell Lou to get the minutes out there, as soon as Lou's done, he puts 'DRAFT' on that with a little warning on the website, 'Beware shareholders, these are only drafts. After Chairman signs and approves, Mr. Brock removes 'DRAFT' and they are official, then.

CHAIRMAN WALLER: Before I call for the question...

COUNCILMAN YATES: I wrote down the dates.

CHAIRMAN WALLER: Please.

COUNCILMAN YATES: Who made the motion?

COUNCILMAN REDCORN: I did.

COUNCILMAN YATES: Meeting dates, February 2, April 15, April 20, May 13, May 18, May 26, June 10, June 15, July 5 and July 15, 2016.

CHAIRMAN WALLER: Call for the question.

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

CHAIRMAN WALLER: Very good. I'd just like to make one short comment. I sat on the National Council. This ended up burying us. There's my Speaker, right there. I have to address him, right quick. Mr. Red Eagle and I lived through this on Saturdays. No pay. No nothing. We went 700 meetings in one year, one time, and I appreciate you. Your dad was an honor for me to have him seated here.

COUNCILMAN REDCORN: A follow-up comment. Councilman Yates just read, I think, one in February.

COUNCILMAN YATES: Yes.

COUNCILMAN REDCORN: 2016. Again, I think that's a little bit too long to be sitting shuffling back and forth. This is the responsible thing to do to get our shareholders aware of what's going on in the Minerals Council.

CHAIRMAN WALLER: Yes, sir. Thank you.

COMMITTEE REPORTS:

CHAIRMAN WALLER: With that, I'd like to move on to Committee Reports. Before we start, I'd just like to tell the Council that the Washington group, USITI, would like to reschedule to meet with you. We'll look at meeting with you at the end of this month. They need to go to September, and they'd like to meet with the whole Council, bring their whole group with us to do that National website, and if that's OK, I'll call them back and say, 'We'll see you in September'.

COUNCILWOMAN ERWIN: National website?

CHAIRMAN WALLER: Yes. From the Government.

COUNCILWOMAN ERWIN: From the Government?

CHAIRMAN WALLER: Yes.

COUNCILMAN YATES: Is that I.H.S.?

CHAIRMAN WALLER: No.

COUNCILMAN YATES: Oh, it isn't?

CHAIRMAN WALLER: United States – it's a new adjective.

COUNCILWOMAN ERWIN: ATI?

COUNCILMAN YATES: No, it's a transparency initiative. EITI.

CHAIRMAN WALLER: OK. Mr. Gitner, this is Gerald Gitner, Office of Natural Resources Review and Tribal Liaison Officer, and it is part of your U.S. Extraction Industry Transfer Initiative. That's the actual site we're going to, and we'll be following Montana, and we're preparing some information and I was supposed to meet with them Friday, and they just called and said they couldn't be here, so we rescheduled. Yes, sir. Councilman Cheshewalla.

COUNCILMAN CHESHEWALLA: Yes, sir. Thank you. Last Friday, I gave a quick summary report off the top of my head on the plugging that we had to partake in down there at Skiatook, and here's what I got wrote down on paper:

"On June 30th, 2016, I received a call from the Minerals Dept. Superintendent, Lee Burnett at approximately 10:30, alerting me to the possibility of a purging gas well around the area of the Skiatook Municipal Airport, near the county line. I took down the information given to me and contacted the office, Chairman Waller, and waited on further contact from the Minerals Dept.

"I received another call from the Minerals Dept. confirming that it was indeed a purging well. Location of the well was the SE section 27, T22, R12E, Well #4. The well was located in a new housing development with two homeowners that were relocated at the Osage Casino hotel by Oklahoma Natural Gas as a safety precaution.

"Said well in question was drilled in 1925 and plugged with mud, and was an old oil well.

"I contacted the BIA Minerals Dept. again and was told that emergency plugging procedure paperwork was being processed and proceed with things both on the phone and at the office.

"I then contacted Chairman Waller and Councilman Yates updating them on what I had found out. After doing this, I was contacted by Lee Miller of Oklahoma Natural Gas, asking to be released from responsibility and let landowners return to their residences, gave them a release, and also sent ONG an email saying such."

CHAIRMAN WALLER: Might add, Councilman, in clarifying that, before we had talked about sending that, I had already met with the Bureau of Indian Affairs and approved your requirements for emergency procedures."

COUNCILMAN CHESHEWALLA: *"Then, I'd be contacting plugging contractors, tomorrow, July 1, 2016 with Chairman Waller and proceed immediately to take care of this problem, and get this well plugged and location remediated. I contacted LWS Plugging later, on July 1, 2016, and made arrangements with them to plug the well. The well was plugged and work was completed by LWS Plugging on July 8, 2016, and waiting on further instruction from the Minerals Dept. on location restoration."*

Now, I'd also like to add one of the local television stations had been alerted to this, and they came down here to look for a story, and there wasn't any. We stayed with the BIA by that Friday, and we were. So no story. Something good we accomplished for a change.

CHAIRMAN WALLER: And, we met them outside and met them, and told them that.

COUNCILMAN CHESHEWALLA: Yes, and the landowner, too. The landowner backed us up on that.

CHAIRMAN WALLER: Thank you. Councilwoman Boone, then Councilman Redcorn.

COUNCILWOMAN BOONE: Well, first of all, I'd like to compliment Councilman Cheshewalla for work well done.

COUNCILMAN CHESHEWALLA: Thank you.

COUNCILWOMAN BOONE: And I did suggest to him that this would be a good positive story for us to have in our newsletter, whenever it goes out. So I would like for us to consider that.

CHAIRMAN WALLER: And show that neighborhood we're in.

COUNCILWOMAN BOONE: That'd be fine. Thank you.

CHAIRMAN WALLER: Councilman.

COUNCILMAN REDCORN: Thank you, Councilman Cheshewalla, too. I feel like you handled that in a very good manner. It was a difficult situation to work with the Bureau, with our Chairman, with Mr. Yates. I got some feedback from the Nation's fire folks. They were down on site, Emergency Response.

CHAIRMAN WALLER: Yes.

COUNCILMAN REDCORN: They also have really good comments on how this whole affair was handled. It's a difficult situation, but this is, I think, the kind of active we want our people in Osage County to know we are very serious about how we want to handle each and every oil and gas issue. We are responsible, and I appreciate your effort on that, and also just wanted to share with you the comments from Bobby Tallchief that he was resonating the same thing what Councilwoman Boone was saying. Good job. Thank you.

CHAIRMAN WALLER: Committee Reports. Would you like to? Go right ahead, sir.

MEDIA COMMITTEE:

COUNCILMAN REDCORN: Media Committee. We talked about the Minutes. I would like to go ahead and instruct Lou to have our newspaper out every quarter as they did in Minerals 2, put the story of Mr. Cheshewalla and the plugging there. Tom looked at the story on the lawsuit. He approves from Lou. I think Lou got that, and then, all updated information, daily information will be handled on our website, which I looked at again, before I came in. It's growing and being populated with very useful information, and so two things. Update current information on the website. No. 2, go back to sending out the newsletter on a quarterly basis along with our payment schedule. I propose that to the Council.

CHAIRMAN WALLER: Any other questions? Councilman.

SCHOLARSHIP COMMITTEE:

COUNCILMAN YATES: We had a Scholarship Committee meeting last night. We had ten applicants. It was a tough choice. I can't go on, on how proud I am with these Osage people who study – I call them 'kids'. I will remind you that it's the Wah-tiah-kah Scholarship, and it's based on petroleum-related field of study, and I think I got some flack last time, from some of the Councilmembers by, maybe, going outside. We didn't have a full group apply, but this time, we had ten. That kind of helped ease the choices. So, at this point, we are happy to announce who we chose. We chose Blake Evans. He's in Petroleum Engineering, and I think he's a graduate student, attending the University of Texas. He had been to Texas Tech University. Then, there's Cole Brumley, and he's actually in a Process Technology. That's very important for the oil and gas field, how to process the different liquids, and that's what his field of study is in Ponca City. He's also attending Northern Oklahoma College. Right now, I think he's out of Pioneer Technology Center. We have a Bret Fugate, Energy Management, and I think he's a senior at the University of Oklahoma and he had an internship in Houston, so he definitely has hands-on experience in oil and gas already. The last one was Gabriel Pelayo. He just graduated high school. He's got 26 hours already at a community College and he's going into Petroleum Engineering. He will be continuing at that community college. Those are our choices, and I wish them good luck, and I think that will make good copy for your Media.

CHAIRMAN WALLER: Yes, sir. Does that take care of that? Thank you, so much. Councilwoman Erwin, Councilman Redcorn.

COUNCILWOMAN ERWIN: OK. I didn't quite catch the name of the second one.

COUNCILMAN YATES: Cole Brumley.

COUNCILWOMAN ERWIN: Brumley.

COUNCILMAN YATES: Brumley.

COUNCILWOMAN ERWIN: Brumley. OK. And then, how much is the scholarships for?

COUNCILMAN YATES: \$1,000.

CHAIRMAN WALLER: We're going to get to that. Councilman Redcorn.

COUNCILMAN REDCORN: Thank you, Councilman Yates for that report. I would like to chat with our Summit Committee, and possibly consider bringing the #1 candidate, generally, to our summit for maybe a 15-segment discussion. Maybe he'd like to come and presenting his work in graduate school, his interests, and just give his talk as an Osage individual. That's concerning a very difficult degree. I know it's difficult sometimes. I thought about all four, but maybe just the top vote-getter here and have a little award. I'd like to chat with some folks on that. Thank you, Chairman.

CHAIRMAN WALLER: Councilwoman Boone.

COUNCILWOMAN BOONE: Question for Councilman Yates. Did you say the second gentleman was attending Ponca City Pioneer Technical School?

COUNCILMAN YATES: Yes.

COUNCILWOMAN BOONE: Was that part of the criteria, a technical school?

COUNCILMAN YATES: We decided it was. Yes.

COUNCILWOMAN BOONE: I mean, is that written in the application process?

COUNCILMAN YATES: I feel it is.

COUNCILWOMAN BOONE: No, no. It's not whether you feel it is or not. Is it part of the application process?

COUNCILMAN YATES: That's what the Committee agreed on.

COUNCILWOMAN BOONE: Pioneer Tech. A technical school is OK?

COUNCILMAN YATES: It was our choice.

CHAIRMAN WALLER: Yes, Councilman.

COUNCILMAN REDCORN: Just wanted to clarify, is that NOC that has the program or Pioneer Tech?

COUNCILMAN YATES: Pioneer Tech is where that program's at.

COUNCILMAN REDCORN: And I visited that school. I did presentations, where I worked at ConocoPhillips up in Ponca City, and they called us as engineers to go out and work with these Process Technology candidates. I was impressed with their instrumentation training on gas meters and those kind of elements, which I think that the Bureau comes aboard with more robust gas processing folks that I think Susan Forman and some of us would like to see. Some of them come out of that training would be a good candidate for gas validation and metering and such. It's a very good training. There's a lot of elements on different processes, etc. So I think it's a broadening of our responsibilities. We talked about gas metering, gas. It's just something that we do. This is activities going on in the oilfield right now. We had a site visit with the gas metering folk five months ago right out here by ALCO, and these gentlemen are trained in OI Systems to monitor and maintain those gas meters. So, to me, it's a very relevant training piece and probably the entire Osage County. Thank you, Chairman.

CHAIRMAN WALLER: Councilman Yates, and then Councilwoman Erwin.

COUNCILMAN YATES: To answer Councilwoman Boone's question, in the first part of the Wah-tiah-kah Scholarship, it says, '**Osage** applicants to their educational pursuits in the **petroleum related field of study only**', and also, later on, in 'Requirements', it says, 'Be enrolled **full time** in an accredited post-secondary educational program including college or university and/or vocational school'.

COUNCILWOMAN BOONE: OK. Thank you.

CHAIRMAN WALLER: Councilwoman Erwin.

COUNCILWOMAN ERWIN: Why are we giving them \$1,000?

COUNCILMAN YATES: First semester.

COUNCILWOMAN ERWIN: OK. Well, to me, that's not much money. Where does the money come from?

COUNCILMAN YATES: This comes from the S-510 account.

COUNCILWOMAN ERWIN: OK. Is it being replaced?

COUNCILMAN YATES: Yes, and we've...

COUNCILWOMAN ERWIN: So we could be, soon, running out of money?

COUNCILMAN YATES: No, not unless we spend the S-510...

COUNCILWOMAN ERWIN: Well, I'm asking you.

COUNCILMAN YATES: Well, I don't know for sure. I know our lease money from our lands in Kansas...

CHAIRMAN WALLER: That's correct.

COUNCILWOMAN ERWIN: OK. Thank you.

CHAIRMAN WALLER: Councilman Crum.

COUNCILMAN CRUM: I'm on the committee, also. I thought we had a good cross-section, here. The one gentleman that is suggested to come to the Summit, is a graduate student, so we had to hire him, and we had the guy that's more entry-level audit. We had two repeats. Actually, we had two new ones, one in high school, graduate, and this gentleman that's the graduate school student. There were also some very good applicants, and under engineering or STEM programs that were quality kids. One of them, especially, that both Andrew and Talee knew that young man, and it boiled down to the us making sure that they abide by the deal that said, 'Petroleum-related', but that person had several others were just slightly off and not being petroleum-related. They were very high-quality kids, and I think that we should include that in the letter...

CHAIRMAN WALLER: Yes.

COUNCILMAN CRUM: ...You write a letter and I will include that we were impressed with them, and that our selection, we had high-quality people, directly in the right category, and so we were able to make our selections that way, and I'm satisfied with them. I wish we could have given away more. Councilwoman Erwin, this is in addition to the scholarships they can get from the Nation.

CHAIRMAN WALLER: Yes, sir.

COUNCILMAN CRUM: However, I would point out, and we have to watch this, I was watching the S-510 not getting above what the input is. We started this scholarship in Minerals Council 2, and we just picked that number out of the air. Something that would be helpful to them, and that we thought we could afford, and that we could have applicants for and it's proven to be a very good program, I think.

CHAIRMAN WALLER: And I think you're adding in the STEM project. It's going to be very vital to us, later, when we look at other avenues. I know that we're focused right now, but there's other items that we will have our young people involved in, we've got to support. The other issue I have is that, tomorrow, we have a consultation meeting with the Department of Interior. There's areas that we need more administration dollars, we need more plugging dollars, but I'm specifically going to ask, I need more education dollars. This isn't enough for our kids to be competitive, and that's the whole point. Why are Osage kids being competitive? If we don't pay for them, we might as well cut our clinic down, too, because we're done. We've got to save these kids. Brother.

COUNCILMAN REDCORN: Thank you, Chairman. Going on with the comments, I appreciate the comments from the committee. I just want to bring up one young man. Councilman Crum, I wish we could hand out more, but I've been in those shoes when this young gentleman's going to O.U. and looking at an engineering degree, and that's a tough place to go as an Osage Indian, and this young man dances. He's a solid kid, very good grades. It's just unfortunate we can't help everybody. We wish we could, but I agree with you, Councilman Crum, that we instruct our Chairman to send a letter that we appreciate you and your efforts, even though we couldn't do this for you, because that's a very difficult stance he's in, and he wants to go down there, or any other candidate for engineering, and I'm glad that they're Osage to go to O.U. Getting into college is one thing, then you've got to prove that you can do it, and in Engineering College, will pick you up. So, there's another hurdle that Osage students have got to go through, down there at O.U. by pursuing engineering. I know, I've been there. I graduated out of that college. It's a very difficult atmosphere, down there, and sometimes, these students don't make it. So, it's a scary thought that we need, as Osages, to continue to push for education. I'm an advocate for education. I'm sitting here on the Minerals Council. I've got a Master's Degree in Engineering from a B-1 College. I've got a Bachelor's Degree from O.U. I want to see more of that in our mineral activities. I want to see educated highly progressive Osage students get involved in our Mineral business, and I think we need to start with the Scholarship Process. We need to build or grow on that. I know, because I've been there, I've worked for an oil company as an engineer. I've been down those roads and I understand it is difficult, the cultural things you have to deal with all those things, but it's time that the Osage people start utilizing our own folks. We have a gentleman here that worked for Citgo for many years. You understand, it's tough to get in, and it's tough to stay, and we want more from you and young people, and acknowledge them, and get them in those colleges, and bring them back and let them handle the business of the Osage Minerals. Thank you, Chairman.

CHAIRMAN WALLER: Thank you, so much. Councilman Yates.

COUNCILMAN YATES: I'd like to make a motion to accept the applicants as awarded to the Wah-tiah-kah Scholarship for the Fall Semester 2016 in the names of Blake Evans, Cole Brumley, Greg Fugate and Gabriel Pelayo.

COUNCILMAN REDCORN: I second that.

CHAIRMAN WALLER: I have a motion on the floor by Councilman Yates, second by Councilman Redcorn to approve the four choices that were selected by committee, the Wah-tiah-kah Scholarship. Without any discussion, let's call for the question.

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

CHAIRMAN WALLER: Thank you. Do we have any other Committee Reports? With that, I'd sure entertain a motion for adjournment.

COUNCILWOMAN ERWIN: I have a question.

CHAIRMAN WALLER: That's not what I asked. *(Laughter from Council)*

COUNCILWOMAN ERWIN: It's about adjournment. Should we take a recess, until our attorney gets here, or should we adjourn?

CHAIRMAN WALLER: Ma'am, I want to adjourn.

COUNCILWOMAN ERWIN: I make a motion we adjourn.

COUNCILWOMAN BOONE: Second.

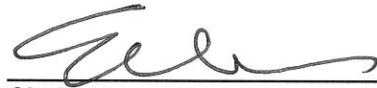
CHAIRMAN WALLER: I have a motion on the floor by Councilwoman Erwin, second by Councilwoman Boone. Motion to adjourn. No discussion. Call for the question.

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

Adjournment – 12:50 P.M.

Approved:



Executive Administrative Assistant

Chairman