

**OSAGE MINERALS COUNCIL
REGULAR MEETING
OSAGE COUNCIL CHAMBERS
PAWHUSKA, OKLAHOMA
SEPTEMBER 21, 2016
MINUTES**

CALL TO ORDER

Chairman Everett Waller called the meeting of the Osage Minerals Council to order at 10:00 A.M. He also mentioned that the BIA will be in Executive Session with an OST Resolution over monies (\$152,000+) on an account, which will be paid up in December.

OPENING PRAYER

Chairman Waller gave the opening prayer.

ROLL CALL

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

Visitors signed in were Sandra Akins, Joy Ledbetter-OST, Jess Kane, Jinx Geurin, George Friedel, Michelle R. Trudee, Don Williams, Florence Bigheart Trantum, Rosalind Karl, Leigh Kuykendall, Rishelle Andarakes, Ray McClain, Marlene McClain, Nevin Cooper, Ron Snyder, Nona Roach, Patricia Spurrier Bright, Beverly Brownfield, Rosemary Wood, Robin Phillips, Bob Knappe, Scott DuCharme, Linda Heskett.

TRIBAL ACCOUNTANT REPORTS

Both C-395 and S-510 reports were submitted before the Council and there were no questions.

Auditor Report: Jim Swan

JIM SWAN: We'll start with our August Osage Information Sheet. Total collection in August - \$2,644,749.18; Average price per barrel of oil in July is \$43.53/bbl.; Average highest posted price for August is \$41.50 per barrel; Average daily barrel of oil produced in July - 11,289 barrels; Gross barrels produced in July - 349,954 barrels; Royalty barrels - 54,339; Royalty barrel vs. Gross Barrels - 15.53%; Total oil royalties collected in August - \$2,368,913; Gas royalties - \$205,462; Tank bottoms - \$223, giving us a total of oil and gas royalties collected in August - \$2,574,598, and our bonus for July was \$1.93/bbl. Average.

No questions were asked from the Council.

BIA Report: Robin Phillips, Osage Agency Superintendent

SUPERINTENDENT PHILLIPS: Good Morning.

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CHAIRMAN WALLER: Good Morning. Thank you, Jim.

SUPERINTENDENT PHILLIPS: During the month of August, the Branch of Field Operations reported 4,074 Purchase Run tickets were reviewed and scanned into the system; 37 leases were checked for production primary term; 133 lease actions and follow-up inspections were performed. There were 11 gas meter calibration provings witnessed; 24 spills were inspected and 37 follow-ups; 71 tanks were gauged. The Branch of Lease Management had reported three assignments; 35 Division Orders and were approved; and there were 33 leases that were terminated. We also reported that the producing wells for the month of August, there's 18,093 less 3,246 for salt water disposal and other wells. The Lease Management also reported for other minerals under 25 CFR Part 214 that APAC reported 33,860 tons and a royalty paid of \$18,284.49. Candy Creek Crusher 11,655 tons paid a royalty of \$9,544.10. Casey Hindman had reported 4,586¹ cu. yds. You'll see we need to check on that. Something's wrong there. So, with the royalty paid of \$3,439, we had a total of six requests for lease information, one was considered FOIA, the others were non-FOIA. The Branch of Sub-Surface Minerals reported one permit was approved. Nine workover permits were approved and 18 plugging permits were approved. The Branch of Accounting sent out late assessment notices, sent 25 out, and we also reported 41 missing lessee report notices sent out. The Branch of Enforcement Lease Compliance reported 59 compliance notices; three fine letters and six extension letters were reported. I believe that you guys got a copy of the approved pending permits, plus pending for 2014 as well as 2016, and I identified exactly why they're pending, and I think that's about it. I do want to talk to you in Executive Session.

CHAIRMAN WALLER: Yes, we've announced that, also. I'm looking down at 3,255 salt water disposals. Is that the real number? We've heard different numbers from different Federal agencies. Is that our number, there?

SUPERINTENDENT PHILLIPS: That is our number. That's what we show.

CHAIRMAN WALLER: OK. Council, do you have any questions? Councilwoman Boone then Councilman Yates.

COUNCILWOMAN BOONE: I just have a question about the field men. Are they working during the weekends?

SUPERINTENDENT PHILLIPS: They are. They are working on weekends on the land buy-back, and they're being paid out of the land buy-back budget.

COUNCILWOMAN BOONE: OK, so they're not doing natural gauging or anything.

SUPERINTENDENT PHILLIPS: They're not doing anything that's oil and gas-related.

COUNCILWOMAN BOONE: Alright. Thank you.

COUNCILMAN YATES: Ms. Phillips, it may already have been reported, but have we set a date for the Semi-Annual Improvement meeting?

SUPERINTENDENT PHILLIPS: No, we have not. I sent over an email to you all asking for those dates?

CHAIRMAN WALLER: Yes.

¹ This is how the number was published in the Superintendent's Report.

SUPERINTENDENT PHILLIPS: So, it'd be good if we had something, so I could give it to Mr. Black.

COUNCILMAN YATES: OK. Need to get that wrapped up pretty quick.

COUNCILWOMAN ERWIN: I have a question. I don't see it here anywhere in my material, maybe I'm overlooking it, on produced barrels, did we produce any less barrels?

SUPERINTENDENT PHILLIPS: Should be.

COUNCILWOMAN ERWIN: I didn't see it. I've got two pages here.

COUNCILMAN CRUM: Councilwoman, I believe the produced barrels is on Jim's report.

COUNCILWOMAN ERWIN: Jim's? OK.

COUNCILMAN CRUM: Yeah, it's there every time.

CHAIRMAN WALLER: 1,289.

COUNCILWOMAN ERWIN: Is that less?

CHAIRMAN WALLER: Of course it is.

COUNCILWOMAN ERWIN: It's not an error. Is the produce less?

COUNCILMAN REDCORN: Yes.

COUNCILWOMAN ERWIN: OK. I just wanted to know if there was an error in it.

COUNCILMAN CRUM: I had something to bring up with Robin. I don't know what she wants to talk to us in Executive about.

CHAIRMAN WALLER: Just ask.

COUNCILMAN CRUM: Well, what I'm going to suggest, the other day, it was brought to our attention by way of a man needing a lease, that there is the practice in some areas at least, by some producers using gas from one lease to do lifting, or compression on another lease, which is against the CFR code, and I think this practice is not isolated from what we saw the other day. I also think that it's been allowed by the BIA over the years. I think that I don't know if people had permission to do it, or how it worked, but the BIA's certainly not proactive without stopping it. I'm concerned about lessees that are doing that right now, thinking that they're doing things fine. I would suggest that the BIA produce a letter to them that lets them know that this is a practice that cannot happen, and they're doing so, they need to come talk to you.

CHAIRMAN WALLER: Council, do you have anything to add to that?

COUNCILMAN REDCORN: Thank you, Chairman. Thank you for the report, Ms. Phillips. The price of oil per barrel has dropped about \$6. We're losing about 1,400 barrels a day from last year, and then Jim's report, this is not good. Our royalty rate has dropped, so I'm assuming that's indicative of a lot more barrels

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coming out of the Chaparral lease, than what we're seeing anywhere else, because of the loss of royalties. Do you have any comments?

SUPERINTENDENT PHILLIPS: Well, the royalty rate hasn't changed. It's just the price, the economy right now, wouldn't you say?

COUNCILMAN REDCORN: I guess what I'm saying is if the gross royalty rates stayed equivalent to last year, I would assume that production stayed equivalent. However, our royalty continues to drop by percentage points as a whole. You follow what I'm saying, Mr. Swan?

JIM SWAN: I follow, because the price is down and production's down, and last year, a year ago, we had some additional money come in from the quarter from Devon that kind of faded out.

COUNCILMAN REDCORN: So, you're saying that probably bumped the royalty rate up?

JIM SWAN: A year ago.

COUNCILMAN REDCORN: A year ago?

JIM SWAN: Yeah.

COUNCILMAN REDCORN: Because I've been tracking this, just mentally, and it seems continually to lowering the royalty rate as a whole. I assume it's attributed to continue to get more and more, Chaparral, which is only a name, as opposed to 1/5th royalties.

JIM SWAN: I agree.

COUNCILMAN REDCORN: You agree with that?

JIM SWAN: Yeah.

COUNCILMAN REDCORN: The other question, BIA, do you see this conventional barrels outside of the Chaparral lease that that's falling? Do we think that's falling, any lease outside of Chaparral, or the Burbank CO₂ flood?

DEPUTY SUPERINTENDENT WINLOCK: I think that's something we probably could get with Accounting. We could confirm through them.

COUNCILMAN REDCORN: Is that something you could get for me. We want to compare how many barrels outside of Chaparral on the CO₂ flood or Performance. How's that going? Is it going up or going down, county-wide? I got a feeling that it's continuing to go down. I'm just basing it squarely on this royalty rate continuing to drop.

DEPUTY SUPERINTENDENT WINLOCK: OK. I'll get with Accounting.

COUNCILMAN REDCORN: OK. We'd like to see it from last year, or maybe the year before for 2014.

DEPUTY SUPERINTENDENT WINLOCK: Yeah, and I think he can actually create a draft.

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CHAIRMAN WALLER: And just on the numbers here, alone, we're talking 48% drop from a year ago. We're looking at \$4,329 on the dollars. Am I correct?

COUNCILMAN CRUM: I would agree the dollars is, but the price is as down as it is.

CHAIRMAN WALLER: I concur. That's what I said the first time.

COUNCILMAN CRUM: Yeah, I'm sorry, sir. That wasn't my question.

CHAIRMAN WALLER: OK.

COUNCILMAN CRUM: ...or even my statement. It'd be nice if we had this all visually looked at, every day, and do it, and one of these days, that's going to happen. We'll be able to look at that, and run that data, without having to go back to Accounting. Seeing that right there for us to do. But, I think we know from talking to folks is that the lift cost on the electricity got it too high on the horizontals to pay for those big down-home pumps, and so we know they shut down one of them when we were discussing the injection wells that were impacted in the Big Bend. We already heard that Chaparral pretty much quit using the ones that's running off of those horizontals that they've done there. So, I suspect that's, again, it'd be wonderful to call that up. I hope it will, but I suspect we could see some of that 20% - some of the biggest pieces of 20% of oil are not producing right now. Of course, that means that the lesser ones, whether it's Chaparral, which I'm sure it's a huge bunch, but that's just 12-1/2% royalty out there, and then we have lots of it at 3/16ths and there's many of those, I'm sure that are shut down also, because the lift costs and production costs were greater than the price. Once they shut them down, it's going to have to be in a probable mode before they start them back up. So, it's previous obvious, I think, that's the case going on, and I look forward to if we got any data that we can pin down bigger pieces of that, that's great. I'd really like to see that.

COUNCILMAN REDCORN: Thank you, Chairman. Just another question on your approved drilling permits. I see one - I do appreciate your sending that out early, so we can take a look at this - What's the status of that? Are we actually drilling? What's the status?

SUPERINTENDENT PHILLIPS: Well, we should be able to go over and see what was approved. It was a drilling with Cardinal River.

COUNCILMAN REDCORN: OK. Does anybody know what's going on there? Is it actually - Have we got the APD approved, or is it actually drilling or...

SUPERINTENDENT PHILLIPS: Yes.

DEPUTY SUPERINTENDENT WINLOCK: We usually check with sub-surface. They usually get a notice between drilling. So, we can check with them.

COUNCILMAN REDCORN: OK, and I want a follow-up question. I know reading in the Oil & Gas Journal, yesterday, that Conoco-Phillips has advanced in deep-water operations, and I see you shaking your heads over here, and that's the kind of decisions I like to see what kind of operations are moving forward, which ones are taking a nose dive in Osage County. I hear Mr. Crum's comments on horizontals, which I tend to agree. Once Performance or Standard verticals and Ma and Pa smaller producers vs. Performance, Osage, Short, some of these guys that are producing a lot of barrels. What type of technology are continuing to climb and which technology is faltering in this climate that we have? I know we've got some cursory remarks on what's going on. I'd like to see some details made from the petroleum folks, and see if they can give us some answers. If that's possible, I'd like to see it. We don't have that capacity on our

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end. We don't have a petroleum person hired like we wanted to. So, we're going to have to rely on the Bureau, if that's OK. The petroleum folks can say, 'Hey, this is what's going on. We feel horizontals are taking an impact,' or due to the regulations, which I've got a strong feeling it's regulations. That's really it, and we really need some commentary, if that's OK.

SUPERINTENDENT PHILLIPS: I think we can start including that in the monthly report.

COUNCILMAN REDCORN: That would be great. Thank you.

SUPERINTENDENT PHILLIPS: On the Accrued Finance for September, 2016, you'll be able to see all the permits provided to you, the workovers, the pluggings and the drilling, who they all went to. We'll try to be as transparent as possible.

CHAIRMAN WALLER: We appreciate it. Councilwoman.

COUNCILWOMAN ERWIN: I have a question, if I recall correctly, if I'm wrong. At one point, you told us that there had been only 36 well permits approved that was for 2014. 2015 and six months of 2016. Do you know whether or not those wells had been drilled?

SUPERINTENDENT PHILLIPS: No, I can't say that I do know, but I will see about reporting that to you, next month.

COUNCILWOMAN ERWIN: OK. Because I think it was six months of 2016, you said there had been 36 wells. You gave us the information that I don't have in front of me, but that's what I do recall. But I would like to know if those wells had been drilled. Thank you.

SUPERINTENDENT PHILLIPS: You're welcome.

CHAIRMAN WALLER: Council, do you have anything else?

COUNCILWOMAN ERWIN: Who's the lady taking pictures?

CHAIRMAN WALLER: For our website for the Nation. I announced that Friday. Anything you'd like to add to that, Superintendent? With that, I'd like to move in to OST. Mr. Brock's handing out the OST information. They have a draft resolution for us. It's a very small account, but it doesn't follow suit on what we did the last account. That's FYI.

NEW BUSINESS

Double G Oil: Oil & Gas Lease – Jess Kane

JESS KANE: Thank you, Mr. Chairman. We're just here to follow up on our presentation that we made to the Council in Executive Session. We're here to answer any follow-up questions that you might have. I have provided a written proposal on behalf of Double G. I'm ready for any questions you might have.

CHAIRMAN WALLER: As requested, Council, we got this out yesterday. I think they should get time to review it. Councilman.

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COUNCILMAN CRUM: Mr. Chairman, everything is according to what we normally look to do, except for the minimum royalty. Last time, I wanted to look at this, because of the trouble this gentleman has had.

CHAIRMAN WALLER: That's correct.

COUNCILMAN CRUM: He's paid for it once. He's about to get a well put into place immediately and producing gas, and he has the others planned in the near future. So I would like to say I'm going to vote for this.

CHAIRMAN WALLER: I'd like to entertain a motion.

COUNCILMAN CRUM: But I would like to ask him a question, before he gets away, after we vote. But I will move that we accept his proposal.

COUNCILMAN REDCORN: What's the royalty? Oh, I'm sorry.

COUNCILMAN CRUM: It's 20%.

COUNCILMAN REDCORN: 20%.

COUNCILMAN CRUM: Yeah. What's he has down here is the primary term – two years; gas royalty – 20% or 1/5th; oil royalty – 1/5th, and that is, bonus is the minimum for it. It's slightly less than what we like, but we're taking it.

COUNCILMAN REDCORN: I make a motion we accept this...

CHAIRMAN WALLER: I'll just need a second.

COUNCILMAN YATES: I'll second that.

CHAIRMAN WALLER: Councilman, I gave you the motion and you entertained it. You have the motion to go ahead and bring this up. I'm just waiting for your second.

COUNCILMAN CRUM: He gave a second.

CHAIRMAN WALLER: I know. I just wanted you to concur with that.

COUNCILMAN CRUM: Yeah, yeah.

CHAIRMAN WALLER: Motion on the floor by Councilman Crum, seconded by Councilman Yates. Any other discussion? Seeing none, call for the question, please.

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

COUNCILMAN CRUM: I'd like to break for just a moment on the discussion we just had. I see here that you have two wells permitted.

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JESS KANE: We've got four permitted, but we've drilled two and that's why my partner isn't here, today, because we're setting pump jacks.

COUNCILMAN CRUM: OK. Well, the reason I'm asking is because it's the discussion that we were having. How was your experience on getting a permit?

JESS KANE: Well, it was wild getting them. We put them in, I can't remember the exact date, it was a year, it was right over a year since we asked for them. But I think we got them in May, 1st of May, 1st of June, and we finally got them here.

COUNCILMAN CRUM: Probably the EA stuff that was holding you up?

JESS KANE: Well, I don't know. We went through the tribe down here to get the EA and our bug studies done. In fact, we did the bug study a year ago, just the last day before the winter deal. So, that's when we were hoping to get them back. It'd been a full year, but they looked real good. So, we're excited.

COUNCILMAN CRUM: Alright. Thank you. I always like to pick a producer's brain...

JESS KANE: We're trying to get the other two wells drilled by the end of the year.

COUNCILMAN CRUM: OK. Good.

CHAIRMAN WALLER: Gentlemen, I want you to field these questions.

COUNCILMAN REDCORN: Are you charging for this? Pro bono? What's this...

JESS KANE: No, it's Tradewalker, which is down there with Andrew. They charge us for them, you know. They've got a group, I'm not sure I remember the name of the group. He did a really good job, and I commend them for both of those studies and the EA.

CHAIRMAN WALLER: Council, do you have any more questions?

COUNCILMAN REDCORN: Ms. Phillips, does the tribe's EA folks, and what you see out in the field, what's your comments on the performance of the tribal development?

SUPERINTENDENT PHILLIPS: I am not really able to speak to that fact, because I've got the Branch Environmental, so I'd probably need to get with them to give you a comment.

COUNCILMAN REDCORN: OK.

SUPERINTENDENT PHILLIPS: But we do hope to get better as far as the year goes. So, we'll get there.

COUNCILMAN REDCORN: I'm assuming Environmental and your end working with the Nation on their end to get these leases approved quickly.

SUPERINTENDENT PHILLIPS: Yes.

COUNCILMAN REDCORN: OK.

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SUPERINTENDENT PHILLIPS: To get the permits to drill, quickly. We're trying to do everything we can to work with the lessee when everything's done, expeditiously. Sometimes, it takes a little bit longer than what we want.

COUNCILMAN REDCORN: Thank you, Chairman.

CHAIRMAN WALLER: Yes, sir.

JESS KANE: Well, when we had a list of several people that could do the EA, but we chose these, because they do work close to the BIA, and I didn't want something I paid several thousand dollars for to come in and not be what they wanted, and so with Craig working down there daily with Ben – Ben Daniels – and I felt comfortable with it when it was finished and was what they wanted. I'm happy with it.

CHAIRMAN WALLER: Thank you, so much. Appreciate it.

Friedel Petroleum Corporation: George Friedel – New Oil & Gas Lease

GEORGE FRIEDEL: Good morning, Council. I'm just here to answer any other questions you folks may have on what we're proposing. I would like to get the leases if we could and drill our first well in the SE/4. We don't know anything about getting permits. That's kind of what I know.

CHAIRMAN WALLER: It's underneath the double G.

COUNCILMAN CRUM: OK.

CHAIRMAN WALLER: With that, Council, do you have any questions? I'd entertain a motion.

COUNCILMAN CRUM: That's what I intend to do. I move that we accept the proposal (Re: SE/4, NE/4, 22-29-5). It's two years, \$50 a load.

CHAIRMAN WALLER: That's correct.

COUNCILMAN REDCORN: Second.

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

CHAIRMAN WALLER: We wish you all the best.

GEORGE FRIEDEL: Thank you.

Verdigris Valley Electric:

CHAIRMAN WALLER: Is any of the representatives here? This is the project on Pond Creek. We need the resolution on a letter, not going to have any dirt work. With that, I'd like to ask Council for a motion approving sending in the letter.

COUNCILWOMAN BOONE: So moved.

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COUNCILWOMAN ERWIN: Second.

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.

Ethics Lawsuit:

CHAIRMAN WALLER: We are going to talk a little about the Ethics lawsuit that just come out of the Supreme Court with. Council, would you like to read in some of that into the minutes?

COUNCILMAN CRUM: Part of the 32-page thing?

CHAIRMAN WALLER: I said, read some of it.

COUNCILMAN CRUM: I was not prepared to read that.

COUNCILMAN REDCORN: Chairman, thank you for your recognition, and was stated last Friday, I don't think this should be on the Minerals Council agenda, and I don't think it needs to be discussed in our Chambers. It's a personal issue, and therefore, I don't want to participate in the discussion in the Council Chambers. So, I'm going to step out, Chairman. (Councilman Redcorn steps out of Chambers for the duration of this discussion.)

CHAIRMAN WALLER: Council, do we have any other effort? I'd like to go to Councilman Crum, then Councilwoman Boone.

COUNCILMAN CRUM: Well, the reason I asked for these, too, actually, I believe to be a related question. Something that the Council needs to decide to go forward on both these actions, and that's the reason I believe that it needs to be here. The ethics lawsuit was a base-rounded idea that we were separate, not under the Nation's Ethics Law, and the letter we sent to the BIA, the next thing on the agenda, was based on the fact that we were under Osage Tribe, and that we were under a separate entity of the Osage Nation, and certain trust acts have been transferred from the Osage Tribe to the Osage Nation in a legal manner, and we want the BIA's answer on that. Their answer came back that it was an interim matter, which is not too surprising, since there's already been Federal Court rulings and that sort of thing in the past years that said the exact same thing, and their response before, their legal action has been an internal matter and we need to solve it among ourselves. The ruling that we got back from the Supreme Court touched on the very same questions. The ruling that I'm talking about now going back to the ethics lawsuit, they took the opportunity up instead of an arrow, I guess you are a part of it and explained why, and were very adamant and expanded on it a great deal on the fact that, yes, the Osage Tribe became known as the Osage Nation had changed in terms of ownership of trust assets. So, I think we need to figure out if we need to keep going down this road, or whether we're not. I'm not necessarily talking about what the trial court rules on the ethics case. I'm talking about an overall idea. Are we going to keep trying things between the Nation and us, under the assumption that we are a separate entity, and not a part of the Osage Nation? They need to figure this out, because if we make decisions based on that idea, and an example is, right now, I would love to have a bill for the Osage Congress that would make it a law that people would not come into the Osage Reservation, the Osage Nation, to the Osage County and disturb the Mineral Estate without a permit. We have certain laws that say that if you move 5,000 cu. ft. of sandy soil, the benchmark there, we could have set benchmarks that they had to come and have a permit. Our attorneys advised us that we should do that. Many of the Councilmembers were resistant and said we didn't need that, but then the attorney came back and advised, 'well you can do that if you want to, but you won't have any enforcement

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or any court to go to, unless the Osage Congress passes a law that says that'. That's just an example of a way that we missed the boat, of being able to promote, in my opinion, the Mineral Estate and properly run it, because we're caught up in this idea that we have to be some way attention and that odds with the Nation. There's most certainly instances where we want to protect our ability to be the ones who run the Mineral Estate. That is paramount. That is something I said about the Constitution the whole time to change to make it better. But, we need to put, even decide whether to continue through this idea that we are separate people, even though we keep losing court cases. So, that's the reason I put this on.

CHAIRMAN WALLER: Yes, sir. Councilwoman Erwin.

COUNCILWOMAN BOONE: Oh, I thought I was next.

CHAIRMAN WALLER: You are next. Go ahead.

COUNCILWOMAN BOONE: First, I want to say I thank Councilman Redcorn for leaving the room, because we all know three of us did not participate in this lawsuit: Galen Crum, Andrew Yates and Talee Redcorn, so I commend him for leaving. Both of these situations could go no further. I still believe that in the Constitution it says that we are an independent agency and we can promulgate our own rules and regulations. It says that in the Constitution, Article XV, Section 4, but I am interested, too, in seeing where this is going to take us. I have a lot of questions about the conclusion of this lawsuit in the aspect of if you follow the Nation's rules, does that mean some of our people will have to make a choice of either being on the Minerals Council or stepping down, because the Constitution says you can't work for the Nation and then be an elected official. I have other questions about our employees. Actually, our employees, or are they Nation employees. I have questions on all these issues, but I thank you, Mr. Chairman.

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

COUNCILWOMAN ERWIN: OK. Let me start by saying we are allowed to form our own policies and regulations. We had our attorney send us some administrative policies and procedures. They were in draft form, and before I could even get to read them, they were given to the Principal Chief, who then turned them over to the Attorney General. I had the Attorney General's opinion on it, before we could even read the rough draft. Now, we're entitled to do this to have our own policies and procedures, and whoever, Galen, sent this over to the...

CHAIRMAN WALLER: Ma'am...

COUNCILWOMAN ERWIN: ...you know, we were given the opportunity to do what we needed to do, because, ethically, we can have our own policies and procedures. I was just told that over there at the Attorney General's office, and we wouldn't have to be underneath them if we had our own. But, apparently, you know, some don't want us to have our own.

CHAIRMAN WALLER: Are you finished?

COUNCILWOMAN ERWIN: No, I'm not.

COUNCILMAN CRUM: Mr. Chairman, I wanted to respond one at a time on these.

COUNCILWOMAN ERWIN: I don't know, you want to talk about...

CHAIRMAN WALLER: Wait a second. Hang on, hang on.

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COUNCILWOMAN ERWIN: I mean, they're both on the agenda, at the same time.

CHAIRMAN WALLER: I'd like to allow you another comment.

COUNCILMAN CRUM: I don't believe we tried to have an ethics policy and procedures that dealt with the ethics filing of the papers. We didn't have that, because if you recall, I was part of the holdout of sending it over, because I wanted to send what we had our own policies and procedures that was not in conflict with theirs. I explained to you very plainly at the time, this was what we need to do, and if we do, we take all their thunder away. We needed to pass those with the same exact thing you're proposing now, before we ever got involved in this. Instead, we had a meeting with the attorney. He proposed we didn't need to do that, because we weren't a part of it, and you all guys believed it, and you went with it. That's why I said no, I'm not going to be a part of it, anymore, because we can solve this without spending a dime of the headright holders' money. We're going to have a fight that's going to end up just like what happened, that we were going to lose in going in to their court was an argument we weren't going to work. I knew it wasn't going to work because it's already been ruled on in Federal Court. So, yes, I'm glad, but you're not holding up I don't think a set of rules. I never proposed a set of rules of ethics to match that. Never saw one, and don't accuse me of giving anybody anything, because I have not done it.

COUNCILWOMAN ERWIN: I didn't say that.

COUNCILMAN CRUM: You said, 'Galen'.

COUNCILWOMAN ERWIN: I said somebody.

CHAIRMAN WALLER: Wait a second, let me talk. Get it out, let's go on. Is there anything you'd like to add to that?

COUNCILWOMAN ERWIN: Yeah, I think if we had done the policies and procedures without any interference from people that didn't want us to be there and have our own policies and procedures and see us under the Nation that they hadn't done the things they did, we wouldn't be here today. We wouldn't spend any money. We were set up to fail, and I don't like that. That's it.

CHAIRMAN WALLER: Councilwoman Boone.

COUNCILWOMAN BOONE: I just want to add that because it was in Osage Nation Court, and the judges are all appointed, I didn't expect a favorable opinion. Thank you, Mr. Chairman.

CHAIRMAN WALLER: The water had been tested before. It didn't get pushed to this event before us, and I understand it. I've already heard the – yeah, I'm under the Nation. I understand that. But you have to wait until this court gives it a decision, before you start saying anything about what, why and where, and I understand this effort. You don't have to walk out when you give it up, like I did, over something like this. Now I understand the journalistic effort against us, that's fine. I've been on enough of these governments. I do concur with Councilman Crum. Even our Chief talked at an OSA meeting. If we want some changes, we'll go to Congress, and if they want us under the Nation, then start paying our bills. We've been to two Federal Court cases, and no one helped us. No one. So, if we're going to keep on fighting, let's fight someone we're going to win. We're really going to have trouble getting this wind farm. Secondly, I went ahead and signed it, after I got the ruling. I didn't guesstimate my value to this Nation. We're going to try our best to walk the line that – Try to perceive this as, what is the answer. The answer is a different government. It has to be gelled, this separation. Councilman Yates.

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COUNCILMAN YATES: I agree with Councilman Redcorn in one aspect, as it was first, for individuals. I don't think it should have been on this meeting. He was elected to protect the Mineral Estate and the shareholders, and this lawsuit was paid for by the shareholders. I think we should be held accountable on what we spent on this case, and I'd like to find out what we spent on defending these individuals on this case, and third you said that they need tribal support? That's being proposed. They'd actually propose a budget sent over to Congress, and we could submit a budget to Congress if we decided to be a part of the Nation and say that, you know, maybe there's a space cost and indirect cost.

CHAIRMAN WALLER: They are approving our budget, though. It goes in with Executive, the Minerals Estate.

COUNCILMAN YATES: We've got that. But, we could also submit a budget to the Osage Nation Congress. They would do that. We've never done that before. It's been suggested, though, several times, when I was Chairman.

COUNCILMAN CRUM: Again, let's go back to the beginning. People put down different agenda items. I didn't change them, and they were one thing, and it was discussed. I agree that there's no action that can be taken on the ethics lawsuit this time, as it's referred back to the Tribe. So, the Council, whether they had any right to do that or not to vote on, that's another question about whether we should have been paid on the headright holders' money out of it. However, we paid Fredericks a lot of money to develop a thesis on how to go forward with the status of this building here, belonging to the Osage Tribe, that's run by the Minerals Council, whether all the villages, everything that was Trust before 2006. We got a letter back from them saying it's only internal. Now that, probably, is actionable by us, now. We already had a ruling that almost exactly follows that. I think it's time to start talking about how we're going to work with them. This is why I brought the whole thing up was to throw it out there, that these two things have happened. We voted to do them in an open meeting, and we spent money, good money on both of them. Well, I assume that we'll continue spending money on the ethics case, because it's not over with, yet. So, there will still be money spent on that. We should talk about this in an open meeting, and let's get a consensus on whether we're going to keep fighting this Tribe or not, and it needs to be talked about for today. So, I'm trying to start the conversation.

CHAIRMAN WALLER: Thank you.

COUNCILWOMAN ERWIN: Which fight?

CHAIRMAN WALLER: All of them.

COUNCILMAN CRUM: The fight that says we're separate. The fight I'm talking about is that the Osage Tribe exists, and the 2006 Constitution did not blend the Osage Tribe into one entity, the Osage Nation. That's the one we're fighting on both of them. We make decisions in this place, based on that theory, and we're going to go forward making those decisions, let's get it out there, and let's talk about it.

COUNCILWOMAN ERWIN: I would like to say, on that letter that you were talking about, that is in regards to the assets that belong to the Osage Annuity holders. Now, I think we're here to protect and defend their assets. Now, I don't believe, legally, you can give somebody's property to somebody else. I just don't believe by changing the name you can give that away. I truly believe, in my opinion, that actually that we need to do something about that and defend that. We're not only talking about everything up here. We're talking about headrights, land – We're talking about everything before 2006. That belongs to the annuity holders,

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and they should be able to reap the rewards from it, and I personally think it's a breach of trust. That's how I think about it.

CHAIRMAN WALLER: That take care of that?

COUNCILWOMAN ERWIN: That takes care of that.

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

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

EXECUTIVE SESSION – 10:55 A.M.

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11:59 A.M. – Motion to come out of Executive Session by Councilman Crum, Second by Councilwoman Erwin.

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

CHAIRMAN WALLER: I'd like to entertain a motion. We had a company come to us on a proposal.

COUNCILMAN YATES: I make a motion we accept Ceja's negotiating on 17 quarter sections with an initial lease bonus of \$40 per acre covering 17 quarter sections, three-year primary term lease with an extension clause of two years. Said extension would be due and paid prior to the expiration of the primary term at a bonus of \$40 an acre, 20% royalty, and that's it.

COUNCILWOMAN ERWIN: Are you saying 17 or 70?

COUNCILMAN YATES: 17 quarter sections.

COUNCILWOMAN ERWIN: OK. I didn't hear you. I thought you said 70.

CHAIRMAN WALLER: Council, do we have anything else to add to that?

COUNCILMAN CRUM: I second it.

MOTION PASSED: TALEE REDCORN-NO², EVERETT WALLER-YES, ANDREW YATES-YES, CYNTHIA BOONE-YES, JOSEPH CHESHEWALLA-YES, GALEN CRUM-YES, STEPHANIE ERWIN-YES, KATHRYN RED CORN-YES.

² Councilman Redcorn, on his vote said, "I'm going to vote, because as proposed by Ceja for 3/16's royalty. I like that. I think we need to be creative as the Osage Minerals Council, because from last year to now, we lost 1,400 barrels a day. I think we need to start maneuvering and getting back those barrels. I like the original proposal. I'm going to vote 'no', because I like the original proposal.

CHAIRMAN WALLER: We had Superintendent talk to us a little bit. Had nothing else to vote on, in the matter of Executive.

OLD BUSINESS

Oil & Gas Summit:

COUNCILMAN REDCORN: Thank you, Chairman. As directed by this Council, I called a teleconference/meeting with the Oil & Gas Summit Committee after this morning at 8:30 a.m. The participants were Councilman Andrew Yates, myself, Talee Redcorn and Rick Torix. One of the questions was, I believe Mr. Yates' question to Mr. Torix is why we didn't have a summit this year. To our understanding, I think, probably the eight of us, at least, my understanding was that none of us knew the work we were not to have a summit this year. We got an email that has been read into the record that Ms. Erwin from Susan Forman saying the reasons why they felt that they didn't call for a summit, which I think Mr. Torix's comments reflected exactly what is in the email. I don't think we need to read it again. It's in the record. So nonetheless, Mr. Yates asked him is it possible, well #1, we want to request that the Committee, the Minerals Council, appoint Lou Brock as the contact between the Oil & Gas Summit Committee and Osage Minerals Council. The other thing was, Mr. Yates brought up, could we have a smaller version of the summit, maybe a one-day gig, maybe in December the first week, which Rick Torix said, 'yes, he'd be willing to do that' plus, we go ahead and act now and give him the go-ahead for the full-blown summit in 2017.

CHAIRMAN WALLER: Councilman.

COUNCILMAN YATES: I did pursue the budget from the Oil & Gas Summit, and we've got in excess of \$42,000 in our account. Of course, we would not spend all that. We can still put on a creative Oil & Gas Summit and December, we can do it at the Cultural Center or maybe Skiatook or Ponca City, as determined by the committee, but we can have a committee meeting as soon as possible to iron that out and move forward. I know we've got a lot of things we can accomplish, just here. The seismicity, EPA injection wells on wastewater and the BIA, what's currently going on with them, being involved in changing atmosphere environment. So, I'm all in favor of trying to get something done in December and just an abbreviated oil and gas summit and maybe go all in the next time.

COUNCILWOMAN ERWIN: Can we appoint a new committee?

COUNCILMAN YATES: It's a volunteer thing. We can, maybe, have a new meeting and see who's still on board. Michelle Summers is no longer going to be involved, so she won't be in charge in printing the programs.

CHAIRMAN WALLER: Councilwoman Boone.

COUNCILWOMAN BOONE: Well, I just have a question. Something sounds a little bit settled that I didn't think was settled. You want to appoint Lou Brock as a contact person? I thought he was the temporary person when we were going to advertise for the position. But it sounds to me like you guys have already decided he'll be a permanent employee and delegate him to do this, and in addition to that comment, I want to add in the past contact person was always the senior staff member. Thank you.

CHAIRMAN WALLER: Councilman Crum.

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COUNCILMAN CRUM: I heard that Rick Torix was going to be a part of it. We had a pretty hot contract with him. What is it that he's going to be paid for this abbreviated thing that he didn't actually work on putting together?

COUNCILMAN YATES: I addressed that in the meeting that this is going to be an abbreviated oil and gas summit. He wouldn't be expected the same salary. Something less.

COUNCILMAN CRUM: So there's no agreement.

COUNCILMAN YATES: No agreement.

COUNCILMAN CRUM: Rick was supposed to be in charge of it, I agree. I prefer the offer that was made last week that Christy Red Eagle said she would be willing to do it. So, I don't want to just cut Rick out, but we've only got \$40,000 in the whole bank, we don't know what we're going to have for any producers. If we're going to do it this fast, we're going to stop the normal time of the donations. I don't want to spend \$20K on him, or \$10K to do that. So, since we don't have a straight deal with him, I think he needs to reflect his efforts and not going forward.

CHAIRMAN WALLER: That's a concern, and I appreciate the others that Mrs. Red Eagle can help us ride the sky. That will be so much easier.

COUNCILMAN CRUM: She's still on the committee?

COUNCILMAN YATES: Yes, he is. I don't know if she's made that contract yet.

COUNCILWOMAN ERWIN: I ran into her, and she asked about that. I said, well, I don't know, yet. She said to let her know that she would be more than happy to accommodate us and do what she could for us.

CHAIRMAN WALLER: Let's just go with that.

COUNCILWOMAN ERWIN: So somebody should contact her?

COUNCILWOMAN BOONE: If we're under the Osage Nation, and they require bids of three people with the preference Osage, will they have to go through that process to get a person to do this for us?

CHAIRMAN WALLER: If we put them under contract, we will.

COUNCILWOMAN BOONE: So, is that what we're talking about?

CHAIRMAN WALLER: I'll just get the recommendations from the committee to decide, if that's what they chose.

COUNCILWOMAN BOONE: I don't have any problems with that.

CHAIRMAN WALLER: My answer was 'no' on the SBA process.

COUNCILWOMAN BOONE: Mm-hmm.

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CHAIRMAN WALLER: We're a direct service element, regardless of what we get called in this world. This funding is brought to us as a clearing house for the money. It's donations that are non-Federal dollars. So, I'm going out on a limb and say that we can take care of this.

COUNCILMAN YATES: Can we make a motion to have the Oil & Gas Summit?

CHAIRMAN WALLER: I'd entertain a motion.

COUNCILMAN YATES: The 2016 Oil & Gas Summit, and then, that will authorize our expenditures.

CHAIRMAN WALLER: Would you like to make that in the form of a motion?

COUNCILMAN YATES: I make that motion.

COUNCILWOMAN ERWIN: I second.

MOTION PASSED: EVERETT WALLER-YES, ANDREW YATES-YES, CYNTHIA BOONE-YES³, JOSEPH CHESHEWALLA-YES, GALEN CRUM-YES, STEPHANIE ERWIN-YES, KATHRYN RED CORN-YES, TALEE REDCORN-YES.

CHAIRMAN WALLER: Thank you. Councilman Crum.

COUNCILMAN CRUM: As I'm sitting here, it just dawned on me that we have some unfinished business that we put on the agenda next month.

CHAIRMAN WALLER: Yes, sir.

COUNCILMAN CRUM: And that is our Producer of the Year Award. Regardless of whether we have a summit or not, we did vote a year ago to start doing that, every year. So we should probably put that on our agenda for next month.

Meeting Minutes:

CHAIRMAN WALLER: Would anyone like to entertain to get us caught up on those? Councilwoman Boone.

COUNCILWOMAN BOONE: I don't have that available, but I will say that I went through – I found a whole bunch of errors in here, but since most of them are taped to what you men said, I didn't see anyone raise their hands, I'm just going to go with a correction that pertains to something I said, and it's on June 10. Well, the information on mine says we're going to look at the meeting minutes from July 2014, August 2014, February 2016 down to and including August 2016. Am I correct, or according to this agenda, is that not right?

COUNCILMAN YATES: No, that's right.

³ On this vote, Councilwoman Boone said, "Let me see if I understand the motion, clearly, if we're going to have the Oil & Gas Summit in 2016? Well, I'm going to vote for it, even though I don't know if we can do that by the end of December."

CHAIRMAN WALLER: Is that the only set of them that you want him to correct, now?

COUNCILWOMAN BOONE: I'm not going to correct anything you men said. I thought we all were supposed to read them. Did I find more problems with these? Yes, I did, but it pertains to everything you guys said, and you're not challenging it, so I'm just going to challenge what I've got here. I did discuss a correction of something that Andrew Yates said about Fee-to-Trust and it was "FETA," and I said that, last Friday. On page 7 of the June 16, I did not say that I want to know where the "baily" production is. It's "daily" production, not baily. So, and then there was, again, on page 7, I think the word "the" needs to be taken out on something I said. I don't believe I said, "I'd like to ask 'the' Ms. Phillips some questions," and changes in the way our minutes are handled. I don't think we need to have all these in there. You know, there's ten pages here, identifying each and every one of these meeting minutes. It's identified on our agenda under 9b, meaning I don't see why we have Osage Minerals Council Meeting in front of every meeting minutes we have.

CHAIRMAN WALLER: Will that take care of everything for you?

COUNCILWOMAN BOONE: Yes.

CHAIRMAN WALLER: Councilman Crum.

COUNCILMAN CRUM: I don't know if I was the only one that was unaware that we were going to do February 16. I thought those others were taken care of. I didn't go back and look at those. I missed those without separating over to where I would see that. So, if we're going to vote on those, I figure I'll have to abstain. I just haven't – I don't know that I've reviewed them. I did look at them, but I don't know if I reviewed every one.

CHAIRMAN WALLER: Council, do you have anything else to add? I'd entertain a motion.

COUNCILMAN REDCORN: Well, just a comment. Chairman, are you involved in getting these minutes through?

CHAIRMAN WALLER: I'm under the review of it. Yes. Mr. Brock brings it to me on the schedule of what he's got done. But, I can't spend my time reading every one of them.

COUNCILMAN REDCORN: So I guess what I'm asking is, what are you doing to ensure these are approved in a timely manner?

CHAIRMAN WALLER: Trying to get them into this meeting, today, so that we can get caught up. If we can get by that, it will get into a better cycle. But I understand the wordsmithing part of it, also.

COUNCILMAN REDCORN: We're talking about many minutes in 2014, August 2014. I'm just a little bit concerned. We can't roll out documents quickly, and so, we need to rethink – I think Lou's done a great job getting these out, try to quasi-fix the problem by allowing him to get the drafts out there. The issue still remains two-year old minutes are not being approved. So, what do we need to do, administratively, to ensure these documents roll out approved and out there? Do we need to bring a consultant in? I'm at a loss, here. I'm thinking we'll be in 2018 still looking at 2014 minutes. So, I'm concerned.

CHAIRMAN WALLER: Are you done?

COUNCILMAN REDCORN: Yes, sir.

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COUNCILWOMAN ERWIN: May I say something?

CHAIRMAN WALLER: Yes.

COUNCILWOMAN ERWIN: I don't think that 2014 minutes were done. I think Lou had to do them. I don't know, but I believe he had to do them. That's why they're here, and that's why they're so late. But I don't know that for a fact. You might ask the gentleman that, because he's gone in and caught I don't know how many minutes – meetings that were behind, and he's gone in and caught them up, and there's errors in them, I'm sure. Grammatical errors. But anyway, when we're through with this, I need to bring up about the newsletter.

COUNCILMAN REDCORN: I don't know how much we're paid, \$29,000 a year and we can't get minutes out the door? I'm a little concerned.

COUNCILWOMAN ERWIN: Well, I was a little concerned.

CHAIRMAN WALLER: Make the motion on those concerns. Let's do it.

COUNCILWOMAN ERWIN: That's why we're not hearing...

COUNCILMAN REDCORN: I'd like to hear what we got to say about it, first, Chairman.

CHAIRMAN WALLER: But you already got your emails where you approved them.

COUNCILMAN REDCORN: Sir, I'd like to hear, administratively, to fix this problem to deal with two-year old minutes and get them done, and get them out the door.

COUNCILWOMAN BOONE: Mr. Chairman, according to our agenda, if the action is approved today, I mean, we are caught up, and the way we handle our meeting minutes is every month, it should be on our agenda, and those minutes should be ready for us for discretionary Friday, and we vote on them on Wednesday. So, I don't have any problem with what we're doing right now. This will get us caught up, then we'll move on to the future, and anyone of us could have challenged the agenda, or put the meeting minutes on the agenda, and I know some months, they hadn't been on there. So, whose fault is it, really? Let's not worry about little stuff like that.

COUNCILMAN REDCORN: I disagree. We need to do this better.

COUNCILWOMAN BOONE: I'm just identifying a way to do it better. Thank you, Lacey.

COUNCILWOMAN RED CORN: We have all the minutes on here. That was last month. We vote on it, today, and we're caught up. We can't help what happened when we didn't have staff to take care of this.

CHAIRMAN WALLER: Mr. Brock, would you make a short comment?

PATRICIA BRIGHT, SHAREHOLDER: According to Robert's Rules of Order, you don't put down word-for-word, especially if you have a recording of the minutes, anyway. It's supposed to be an outline of what when on and the resolutions that you vote on should be word-for-word.

CHAIRMAN WALLER: And they are.

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PATRICIA BRIGHT, SHAREHOLDER: And that's it. But this writing every single word, that's where you're getting in trouble.

CHAIRMAN WALLER: Thank you, ma'am. I would like to entertain a motion.

COUNCILWOMAN ERWIN: I entertain a motion that we go ahead and approve these minutes just to get caught up.

CHAIRMAN WALLER: I need a second.

COUNCILWOMAN RED CORN: I second.

MOTION PASSED: ANDREW YATES-YES, CYNTHIA BOONE-YES⁴, JOSEPH CHESHEWALLA-YES, GALEN CRUM-ABSTAIN⁵, STEPHANIE ERWIN-ABSTAIN, KATHRYN RED CORN-YES, TALEE REDCORN-YES, EVERETT WALLER-YES.

Personnel:

CHAIRMAN WALLER: Councilwoman Boone.

COUNCILWOMAN BOONE: Because our rules say that we will advertise the vacancy and a person, one of our people is in a temporary position, we need to advertise to fill that position on a permanent basis.

CHAIRMAN WALLER: Yes. Councilman.

COUNCILMAN YATES: I make a motion that we hire Lou Brock on a permanent basis in the position he holds at the moment. An emergency hire and make it permanent.

COUNCILMAN CRUM: I'll second it.

COUNCILWOMAN BOONE: Can we open it up for discussion?

CHAIRMAN WALLER: Hang on. Hang on. Would you like it in the form of a motion, Councilman Yates, making our temporary employee to a permanent status, second by Councilman Crum. Now, we'll open the floor for discussion. Councilwoman Boone, then Councilwoman Erwin.

COUNCILWOMAN BOONE: Then what I stated earlier was a true fact that the arrangement was to make him a permanent person, and that's why they wanted him on the Oil & Gas Summit, but you know we have rules that say that we're supposed to advertise, and it's been my experience this Minerals Council does not want to have any rules, and without rules, you have confusion. So, I'm for sticking to the rules. That's why I'll be voting 'no' on this personnel issue. Thank you.

CHAIRMAN WALLER: Councilwoman Erwin, then Councilman Redcorn.

⁴ On this vote, Councilwoman Boone said, "I'm going to have to vote 'no', because of the reasons I stated earlier, there's a whole bunch of errors that need to be corrected in here, and I think if these meeting minutes were proofread, they'd be a lot better for us. So, I'm going to vote 'no'.

⁵ On this vote, Councilman Crum said, "I'll abstain for the reasons stated earlier. I don't have a problem with them.

COUNCILWOMAN ERWIN: I'm really confused about this, because sometimes we can do what we want by resolution, and sometimes we don't do...

CHAIRMAN WALLER: No, we can do what we want by resolution.

COUNCILWOMAN ERWIN: OK, but my point of it is, since we've had the Nation factor in, is this going to be an ethical question later on down the line? That's my question. So you all tell me.

CHAIRMAN WALLER: I would defer that to the court.

COUNCILWOMAN ERWIN: Actually, file suit on us, again?

CHAIRMAN WALLER: Councilman.

COUNCILMAN YATES: I was going to speak in favor of hiring Lou. He's done a great job. Our minutes are caught up better now. I agree with Ms. Bright. I wish he didn't do them verbatim. We've got tape. I fought that fight since I was Chairman, but just an overview on however we vote, you know, an outline. They want it verbatim; they go to the recording. He does a great job, so I make the motion. Plus, I think we talked to Human Resources Director, with the Nation, and he basically said we could hire whoever we wanted to have. It's a hard time having people come over here.

COUNCILWOMAN ERWIN: Oh, really?

CHAIRMAN WALLER: OK. Councilman, do you want to add anything to that?

COUNCILWOMAN ERWIN: I do. I do.

CHAIRMAN WALLER: You'll be the last.

COUNCILWOMAN ERWIN: I like the work that Lou has done. He's done – Sometimes, it's hard communicating with him. I think that any issues you may have with him need to be resolved through his supervisor. I believe...

CHAIRMAN WALLER: Excuse me...

COUNCILWOMAN ERWIN: Mr. Chairman...

CHAIRMAN WALLER: We're in an open meeting.

COUNCILMAN YATES: I make a motion we go into Executive and deal with it.

COUNCILWOMAN ERWIN: OK.

COUNCILMAN YATES: This is personnel.

COUNCILWOMAN ERWIN: No, I want to go home. So...

CHAIRMAN WALLER: Alright. Councilman Redcorn.

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COUNCILMAN REDCORN: My comment is in regard to what Councilwoman Boone brought up. About appointing Lou as the contact between the Oil & Gas Committee, we felt like somebody just needs to track what's going on with the summit, and foremost what's going on is the only detail this change would bring. So that person could be Lou or anybody. Just appoint somebody to keep us abreast of the summit. At least, we'd have somebody to remind us that there may have made a change. That's what happened. That was the only reason. It doesn't matter to me who we get to maintain communication with the summit committee. So, just a little comment there.

COUNCILWOMAN BOONE: I still contend that it's already a done deal. You guys have already decided who it's going to be. The full-time permanent position, whether we have rules or not. So, we don't need to go into Executive Session. Let's just go ahead and vote and get it over with.

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

CHAIRMAN WALLER: Ms. Bright, I'll give you one second.

PATRICIA BRIGHT, SHAREHOLDER: At the last OSA meeting, the Chief did say that the Minerals Council would do whatever they want, as long as they don't go against the Constitution.

CHAIRMAN WALLER: Thank you, ma'am.

COMMITTEE REPORTS

Budget:

CHAIRMAN WALLER: Do we have anything to add?

COUNCILWOMAN RED CORN: No. No one talked to me about any changes that they needed made.

CHAIRMAN WALLER: Do you want to make a motion to run that through?

COUNCILWOMAN RED CORN: I make a motion that we accept the budget.

CHAIRMAN WALLER: For C-395 and S-510.

COUNCILWOMAN RED CORN: For C-395 and S-510, I can make it in the same motion.

CHAIRMAN WALLER: Yes, ma'am. I need a second.

COUNCILMAN CRUM: I'll second it.

COUNCILMAN YATES: Discussion.

CHAIRMAN WALLER: Open for discussion.

COUNCILMAN YATES: On legal fees, you have down \$276,732. This covers our legal fees for two attorneys. From what I've seen from one of our attorneys, I see in excess of \$300,000.

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COUNCILWOMAN RED CORN: Right, and if you'll look at the minutes over the years from the 1st Minerals Council, we always went over. So, that's usually what we start with on the budget, and as we spend that money, we move money over.

CHAIRMAN WALLER: On a line-item budget modification. Councilman.

COUNCILMAN CRUM: I have no problem in what is put in the budget. But we do have more with the two attorneys. We have McCullough, we have been using Fredericks, so we need to change that one thing by two, it's three. We have him on contract right now.

CHAIRMAN WALLER: That's correct. Councilwoman.

COUNCILWOMAN BOONE: So, last Friday, I think that Councilman Crum pointed out the Merit Increase to employees by 3%. So, is that \$1,991 going to be the correct amount for someone who will only be getting a 3% annual increase? How do you work his increase?

COUNCILWOMAN RED CORN: This is the first time we will be able to have somebody have a merit increase, because nobody stays long enough to get one.

COUNCILWOMAN BOONE: The point is – My question is a direct amount.

COUNCILWOMAN RED CORN: Yes.

CHAIRMAN WALLER: It is on the 3%. We can do a budget modification on any kind of increase over that, which we owe someone.

COUNCILWOMAN BOONE: Yes, we do.

CHAIRMAN WALLER: Anything else to that?

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

Newsletter:

CHAIRMAN WALLER: Councilman.

COUNCILMAN REDCORN: Thank you, Chairman. Lou's done a fantastic job on our next newsletter. It's been picked over and worked over, but I think it's ready to roll. So, anyway, Lou, thank you very much. I'm positive we send this newsletter out.

COUNCILMAN YATES: Is it too late to make one correction?

CHAIRMAN WALLER: No.

COUNCILMAN YATES: And, I don't mind someone's constituents emailing with my private email, that's fine. But, I notice everyone else using their Minerals Council email, and I'd like mine to be with the others. I can respond to it quicker with jayates (at) osagenation (hyphen) nsn (dot) com. I don't check (the other one) as often, so if we could change that.

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COUNCILMAN REDCORN: With that change, I propose we roll out immediately.

CHAIRMAN WALLER: Councilwoman.

COUNCILWOMAN BOONE: I want my contact number. I want that information changed, too. I want them to have my home phone, my cell phone, my business email and my private email. I'm available to my constituents. Add that.

CHAIRMAN WALLER: Mr. Brock will be fine with that. Any other comments?

COUNCILMAN REDCORN: Chairman, can we send this newsletter out?

CHAIRMAN WALLER: After the adjustments with these two, we'll send them.

COUNCILMAN CRUM: We gotta vote.

CHAIRMAN WALLER: Make the motion.

COUNCILMAN REDCORN: I make the motion that we send this newsletter out with adjustments to correct the contact information for Councilman Yates and Councilwoman Boone.

COUNCILWOMAN ERWIN: I'll second it.

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: Just a little housekeeping here, I'll talk to my council. We've been contacted of course by the I.H.S. program that it wants to come and visit with us, starting the process of the review for the Bureau, where they come in and do an accounting and see what they have to look at, first, then they want to come to Council and give a proposal. This is the group out of Denver. The last gentleman I talked to is I.H.S. Marketing, Kirk Graham, and I told him I'd get back with him after I talk with the Council. The next question is that I've been talking with the State of Oklahoma Secretary of Energy. They'd like to, next week, have us available for a webinar on the dashboard rollout on the earthquake information. So, I told him I'd get with you on that, and we'll have Mr. Brock – we'll figure out a day, and with that...

COUNCILMAN REDCORN: Just to reiterate, that's what Mr. Holman from EPA, Dallas, said not once but twice to the Minerals Council. I'm strongly in favor of I.H.S. pulling together and asking...

CHAIRMAN WALLER: OK. I.H.S. is going in to BIA.

COUNCILMAN REDCORN: OK, I need a clarification from you, then.

CHAIRMAN WALLER: That's the State of Oklahoma. They want us to roll it out with the EPA.

COUNCILMAN REDCORN: So that's not a part of the I.H.S.

CHAIRMAN WALLER: No, sir, that's a separate entity.

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COUNCILMAN REDCORN: Whatever the case may be, we need to roll out dashboard, and I think if we contact our attorney and see if we can get that put on high priority to roll out.

CHAIRMAN WALLER: I'll have him contact us for next week. Mr. Brock, roll that out, and have the Council ready to review. Councilman.

COUNCILMAN CRUM: One of the people that we give the lease for, today, today, why don't you have the leases out. I'd rather have a lease auction, and I said, that's the purpose of it. What I'd like is to put that on the agenda for next month that we set a date. It has to be several months in advance. It takes time to notify people there's going to be one that they have to make it, then we have to notify that the BIA has to check with the owner. That's an adventure. Set a date in January. That's how much lead time we'd need from October to January to get it done. That'd be a minimum. So, I really want that on the agenda for folks to think about it.

COUNCILMAN REDCORN: I agree.

CHAIRMAN WALLER: The other concern is an ODOT project, Javine project that we're talking about. We voted a resolution to have a letter sent to Pond Creek, but this is the other project. The contractors just now got a hold of me, as of this week. That's the information we sent to you on the project. One contractor is doing natural removal of the sign, 'no dirt work'. That's the ones that contacted me. I already have a call from another one that is part of this larger project. That's why I asked maybe we should do a resolution when we do the project and all the sub-contractors under it. At this time, do we need a specific resolution for? These are all the relocation of the utilities and the removal of the stoplights.

COUNCILMAN REDCORN: Again, I would like this project manager to tell us how much dirt could be moved off the site.

CHAIRMAN WALLER: I do know, among the first group, the answer is 'none'. Both of them. Creek Construction is one. The BPE is on through. That was with Don Hutchison, and the other group is going to be for Dee Hauser.

COUNCILMAN CRUM: Are we talking about a letter to the guys saying we're waiving...

CHAIRMAN WALLER: Yes, sir.

COUNCILMAN CRUM: I make a motion that we do that to these...

CHAIRMAN WALLER: Yes, sir.

COUNCILMAN CRUM: But the caveat is the information we have is correct that we're not moving any dirt from the site, and we will give them the letters saying we're waiving the oil permit process.

CHAIRMAN WALLER: That's what I've been talking about.

COUNCILWOMAN RED CORN: Need a second? I'll second it.

CHAIRMAN WALLER: The letter waiving the permitting process.

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

PATRICIA BRIGHT, SHAREHOLDER: As a shareholder, are you all going to publish your budget, and at the end of the year, expenditures by the Nation budget in your newsletter? Because I would like to receive both of them, and it is our money. I hope that you're going to really work on keeping a hostile-free workplace.

CHAIRMAN WALLER: Yes, ma'am.

PATRICIA BRIGHT, SHAREHOLDER: We lost about 14 employees.

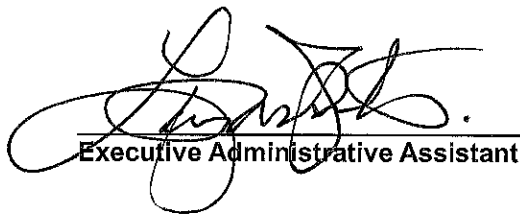
CHAIRMAN WALLER: Ma'am, we'll see about the first half that you talked about having that on our site. I'll stick with that.

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

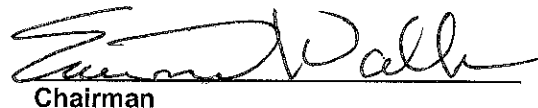
MOTION PASSED: KATHRYN RED CORN-YES, TALEE REDCORN-YES, EVERETT WALLER-YES, ANDREW YATES-YES, CYNTHIA BOONE-YES, JOSEPH CHESHEWALLA-YES, GALEN CRUM-YES, STEPHANIE ERWIN-YES.

Adjournment – 12:42 P.M.

Approved:



Executive Administrative Assistant



Chairman

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