

**OSAGE MINERALS COUNCIL
REGULAR MEETING
OSAGE COUNCIL CHAMBERS
PAWHUSKA, OKLAHOMA
NOVEMBER 16, 2016
MINUTES**

CALL TO ORDER

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

OPENING PRAYER

Eddy Red Eagle, Jr. gave the opening prayer.

ROLL CALL

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

Visitors signed in were Janel Perry – OST, Joy Ledbetter – OST, Nona Roach, Rosemary Wood, Jinx Geurin, Gene Bowline, Maray Graham, Robert Knappe, Scott DuCharme, Julia Roe, Leslie Young, Joe Hall, Rosalind Karlin, Rishelle Andaraker and Leigh Kuykendall.

ACCOUNTANT REPORTS

LESLIE YOUNG, ACCOUNTANT: OK. To start out with, we have \$125,705.53 in the banking. Currently, for FY17, we've spent \$15,870.22 through the end of October. We just closed out September, yesterday, and will be submitting reports, accordingly.

CHAIRMAN WALLER: Thank you, dear. Appreciate it. Council, do we have any questions?

COUNCILMAN REDCORN: Last Thursday, we had a discussion a little bit on getting information on a budget out to our constituency.

LESLIE YOUNG, ACCOUNTANT: Alright.

COUNCILMAN REDCORN: We hadn't made a decision, yet, but is this something that you generally see on the other accounting...?

LESLIE YOUNG, ACCOUNTANT: This type of budget report is printed for all of my accounts that I work with.

COUNCILMAN REDCORN: All of your accounts, and that's pretty sufficient throughout your other offices.

LESLIE YOUNG, ACCOUNTANT: It's what we submit to Congress every month for their reporting. It's what the Chief's office receives.

COUNCILMAN REDCORN: OK. Thank you.

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CHAIRMAN WALLER: Thank you, ma'am. Julia, please.

JULIA ROE, ACCOUNTANT: Good Morning.

CHAIRMAN WALLER: Thank you, ladies. Julia, go right ahead.

JULIA ROE, ACCOUNTANT: I did not bring the balances for the checking account. I will hand all those out and get those correct. We did receive the \$20,000 estate revenue for the lease from the Paschen (12:29) property, and the income for October for interest is \$140.78.

CHAIRMAN WALLER: Thank you. We appreciate you for being here today, and with that, enjoy your afternoon.

AUDITOR REPORT – Jim Swan

Chairman Waller spoke on Mr. Swan's health update, and that he is doing better, and will finish up the Accounting for the Council, and also with the Bureau reports. His report will be available after Thursday evening. Councilman Yates asked if we gave the December payment, and Chairman replied that he'd rather let him issue that. He did mention that it went up \$105 (from September's payment).

SUPERINTENDENT REPORT – Superintendent Robin Phillips

SUPERINTENDENT PHILLIPS: Good Morning.

CHAIRMAN WALLER: Good Morning.

SUPERINTENDENT PHILLIPS: During the month of November, the Branch of Field Operations reported 1,995 purchase or run tickets were reviewed and scanned; there were 4 well pluggings witnessed; 50 leases were checked for production and primary term; 130 lease inspections were performed with 43 follow-up inspections; there were 34 gas meter calibration provings witnessed; 108 lessee/landowner meetings; 12 spills were inspected and 28 spill follow-ups were performed; there were 20 tanks gauged. The Branch of Lease Management processed or approved all 2 assignments and 46 lease terminations. They reported for the month of October 18,093 wells less 3,248 wells for SWD wells for a total of 14,845 wells. Under 25 CFR Part 214, those are your leases for sand and gravel, they identified that the Apac, Candy Creek Crusher, and PC Hindman were the three top producers, you had requested in the past the Agency include all the leases and the production that was reported for that month, which we did include in this report. For Apac, we have 44,480 tons, for a royalty paid at \$24,019.24; Candy Creek Crusher reported 17,096 with a royalty paid of \$8,719; Casey Hindman reported 4,670 cubic yards, at \$3,505; Schmitt Bros. reported 320 cubic yards at \$240.00; Henry Banks reported 72 cubic yards at \$54.00. They received 11 non-FOIA requests and we've received no FOIA requests in my office. The Branch of Subsurface Minerals approved 5 workover permits and 15 plugging permits. You also received the copy of the SharePoint that showed approved and pending permits at the Agency. The Branch of Accounting collected \$20,167 for lost revenue from Chaparral. This was money that was identified from spills. The Agency will continue to work on entrusting the other lease spills that we have that we have identified for a loss of revenue. So you will get copies of those letters, as well. But Chaparral did pay that money. We included the Coffeyville Purchaser Statements and...

CHAIRMAN WALLER: Now, May I stop you for a second?

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SUPERINTENDENT PHILLIPS: Yes, you may.

CHAIRMAN WALLER: Is that the \$20,000 as collected for our PL Account?

SUPERINTENDENT PHILLIPS: Yes.

CHAIRMAN WALLER: Thank you.

SUPERINTENDENT PHILLIPS: And, of course, we've gotten Jim Swan and we submitted the Gross Production Tax for July, August and September. The Branch of Enforcement and Lease Compliance, they reported 56 non-compliance notices; they provided 7 extension letters, and they sent out and received 16 Spill Remediation and Reporting forms. These forms are something that's new for the Agency. We're sending out notices to the lessees, asking the lessees to provide us with a Spill Report, identifying exactly what happened and what they're doing to remediate, as well as resolve the problems, that it doesn't happen in the future, and I believe that's about all I've got. Oh, I do have something for Executive. Cammi Cannaday is not going to be here, today. She's out. So, Charity Damron is going to assist us, there.

CHAIRMAN WALLER: That will be fine, and we went ahead and put that on our agenda.

SUPERINTENDENT PHILLIPS: Thank you so much.

CHAIRMAN WALLER: We'll have you up, first. Councilwoman Boone.

COUNCILWOMAN BOONE: A question about the Crushers. Why some of them reporting in tons, and others are reporting in cubic yards?

SUPERINTENDENT PHILLIPS: Those are the agreements that were made with the Minerals Council.

COUNCILWOMAN BOONE: OK.

SUPERINTENDENT PHILLIPS: And, I do have those. I know that, last Friday, you had asked for me to provide those to you. I had provided them to you, before.

CHAIRMAN WALLER: Yes.

SUPERINTENDENT PHILLIPS: But I do have those, and I'll send them over to you. I just haven't have an opportunity to put together a letter and send it to you. I apologize.

CHAIRMAN WALLER: Councilwoman Boone, do you have anything to add?

COUNCILWOMAN BOONE: No.

CHAIRMAN WALLER: I would like to ask a quick question, is that, when we are looking at these prices for this, we were asking the contracts themselves to, are we going to go under the 23 CFR Code of ten per cent or are we going to negotiate to 57 or 59 per cent on tonnage?

SUPERINTENDENT PHILLIPS: We are pulling those resolutions and providing the leases to you, and we will get with you, and hopefully be able to provide us with some information as to what you want to do.

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CHAIRMAN WALLER: Yes. This is the ending of it. We're looking at an MOU with the State of Oklahoma. They are wanting to pay X amount to put my last contact with them to have their attorneys look at it. We can't sign that MOU, saying that contract at that price, and then the Trustee comes back as the Department of Interior, and asks for the ten per cent. So, I've asked our attorneys to look at that option for the Council, and I believe Councilwoman Erwin and I talked about it. You don't want to run that through today, do you, that's the MOU, as written?

COUNCILWOMAN ERWIN: No. No, because it doesn't benefit us, whatsoever.

CHAIRMAN WALLER: Thank you, ma'am. I needed that comment. Thank you so much. Councilman.

COUNCILMAN REDCORN: Thank you, Chairman. Very good report. I appreciate the information. I had a question on the spills and leaks. You had 12 initial inspections, and then you had 28 follow-ups. Seems like you've doubled the follow-up inspections. Anything going on, over there?

SUPERINTENDENT PHILLIPS: Well, basically, when we had spills and stuff for it, we have to allow the lessees time to go in and clean it up, as well as remediate, and in doing a remediation, there is a growing period. There may be times that that is higher than the actual spills that were reported that month, because there are follow-ups. We're trying to ensure that it has been remediated.

COUNCILMAN REDCORN: So, you get a report of this spill, you get an initial inspection, and then you will allow remediation to take place, then go back.

SUPERINTENDENT PHILLIPS: Yes.

COUNCILMAN REDCORN: OK. Awesome. Thank you.

SUPERINTENDENT PHILLIPS: Before we close them out, we have to ensure that it's been remediated.

COUNCILMAN REDCORN: OK.

SUPERINTENDENT PHILLIPS: In a situation where we find that it's not remediated or acceptable, we will get back with the lessee, and ask the lessee to go back in and try it again.

COUNCILMAN REDCORN: In summarizing Mr. Daniels' activities on those, is that happening on these inspections?

SUPERINTENDENT PHILLIPS: That would be him. He goes back out and does a follow-up.

COUNCILMAN REDCORN: OK. To Councilwoman Boone's question on the Apac Candy Crusher, you're reporting in tons, you mention it was an agreement. Is that the ODOT agreement?

SUPERINTENDENT PHILLIPS: No. These, where it was cubic yards vs. tons, the terms are new. The cubic yards are something that the Minerals Council has usually done.

COUNCILMAN REDCORN: OK. So, the ODOT project on the highway, between Pawhuska and Bartlesville, we made an agreement with ODOT. Is that being followed through?

SUPERINTENDENT PHILLIPS: That is completed.

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COUNCILMAN REDCORN: It's completed? There's no issue on the ten per cent?

SUPERINTENDENT PHILLIPS: Yes, that's completed and closed.

COUNCILMAN REDCORN: Alright. Thank you for your report.

SUPERINTENDENT PHILLIPS: You're welcome.

CHAIRMAN WALLER: Councilman Yates, before you start, as we gurneyed Jim Swan out, he took care of that information on the headright payment. We'll announce it. It's going to be \$3,335, and I appreciate that. Then, he's going to clarify his other report tomorrow for us.

COUNCILMAN YATES: Tomorrow?

CHAIRMAN WALLER: He said he's coming back in. Be ready.

COUNCILMAN YATES: Ms. Phillips, I noticed in there, on your report, you've got an Osage Agency Technology update November, 2016. Is this something new? Is this something that you put somewhere in your reports? Something?

SUPERINTENDENT PHILLIPS: On what page? Sorry.

COUNCILMAN YATES: It's after your report to the Minerals Council.

DEPUTY SUPERINTENDENT WINLOCK: Actually, what occurred was, I believe, it was asked to start providing some new technology, I think, a couple of meetings ago, a flier showing new technology that we started including in our report.

COUNCILMAN YATES: OK. I hadn't seen that report. I've been gone for a couple of meetings, and I think, while I was gone, I've seen in some of our emails, has ONEOK decided not to continue their gas storage contract, or is that something that I...? Because I couldn't find it in any of my emails, when I went back looking for it.

CHAIRMAN WALLER: It's not there.

DEPUTY SUPERINTENDENT WINLOCK: I'm not positive on that. I'll have to check and see if we could check that.

COUNCILMAN YATES: OK.

CHAIRMAN WALLER: Council, they were going to ask to be on the agenda, but the internal office in Tulsa sent that out, without giving you the privilege of hearing it, first, and announce to our shareholders, and then they're going to ask to be on the agenda and talk to us about options.

COUNCILMAN YATES: OK. That's something we don't need to discuss in open meeting?

CHAIRMAN WALLER: For right now, I'd like to put them on in December.

COUNCILMAN YATES: I was wondering if that opened up some areas for leasing and if that area had been closed with the gas storage.

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CHAIRMAN WALLER: The contract's actually not completed until December 18 of next year. They're just getting ahead of the curve.

COUNCILMAN YATES: Oh, OK. Good deal.

CHAIRMAN WALLER: Actually, I'll have you as our Trustee. Any other questions, sir?

COUNCILWOMAN RED CORN: When is it?

CHAIRMAN WALLER: We're actually under a gag order, under this contract. But it ends next year, just before Christmas.

COUNCILWOMAN RED CORN: December 17.

CHAIRMAN WALLER: Yes, ma'am. Council, do you have any other questions?

COUNCILMAN REDCORN: I just want to follow up with – It's on the agenda, and I apologize, if you're not going to be around the Bureau of Indian Affairs personnel, the Oil & Gas Summit, and just a quick comment on some of the folks we're bringing in. I'm delighted. I was going to share this, later, but some of the folks that are involved in research and field application on trapped oil in Kansas. They've agreed to come to the summit and so I really like the technology piece. I appreciate last month's comments on Chaparral, the performance there. So, I see this section growing, and then after our summit, if you're engineer is involved, I think we'd be delighted to look into something like water shutoff, which I think Jim Hessert is going to talk about, but also, trapped oil, which, after everybody's come and gone, there's a lot of trapped oil left, and Charles Hurlburt and I had this conversation a lot. So, I appreciate this, and I just think this is going to continue to grow if we decide to move into that area, I'd like to keep this technology piece rolling, that we're entitled to new development. I like this stuff on high pressure, high temperature. That's deep, deep well like you see down in the Gulf Coast. Those things, the technologies I remember that were proposed at our Oil and Gas Summit last summer were demonstrated and talked about, eventually led to some of the directional drilling that some of those technologies. So we were on the front end of that. So, I'm just hopeful that this piece the Bureau can communicate with us, and we'll communicate with the Nation. This is how we're going after additional opportunities. So, I appreciate that piece. It's going to keep growing. Thank you.

CHAIRMAN WALLER: I reviewed your agenda. I couldn't be more impressed with the Oil and Gas agenda, and I would like to ask yourself and Councilman Yates, we need to do a little housekeeping in taking care of Ms. RedEagle. We might need a motion that I would like for you to take care of, from the Oil and Gas Summit, so we're allowed to pay an honorarium or whatever you see fit for time and service for helping us, but I'd rather do it if we could, today.

COUNCILWOMAN RED CORN: There's a resolution. That'll take care of it.

CHAIRMAN WALLER: If you don't mind, I'd like to add that in, possibly help you. Everything else is ready to go.

COUNCILMAN REDCORN: I didn't mean to bring the agenda up. I know that Mr. Lou Brock has kept Councilman Yates in the loop. For sure, we wanted your feedback, and if there's any more, if Council wants Hessert to drop it, we're open. We want feedback, we want approval from the Minerals Council on the speaker group. That's coming later in the meeting, but I just threw it out at the BIA, because this is the kind of direction I'm hoping with approval at the end of the day, we will pursue some of these talks and possibly

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joining in some of the tertiary oil recovery program out of the U.K. and Lawrence, Kansas. Dr. Stefan Miska does drilling technology review and stuff, the different seismic research, the different things that are going on towards Tulsa at their research lab. So, we've got an exciting list of people interested and want to come in. Kind of shifting – and Shane Matson, he wants to come back and explore more options. We're excited. Thank you, Chairman. Thank you very much, Lou. Very good job on getting all this together and communicating with the Summit Committee, and thank you so much.

CHAIRMAN WALLER: And, if you will, under our Committee Reports, indulge us with that resolution. Also, for housekeeping purposes only, I'd like under Old Business to add Osage Minerals Council Regular Meeting Dates for 2017. Superintendent, do we need a resolution today on the Lease Sale or is this just for our review?

SUPERINTENDENT PHILLIPS: I believe I will need a resolution, today. Yes.

CHAIRMAN WALLER: Council, can we talk about it, for just a second?

COUNCILWOMAN BOONE: I thought we were going to discuss it in Executive.

SUPERINTENDENT PHILLIPS: I'd like for us to discuss it in Executive.

CHAIRMAN WALLER: That would be a perfect time. Thank you. Is there anything else that someone would like to add?

NEW BUSINESS

Gross Production Tax: Stephanie Erwin

COUNCILWOMAN ERWIN: Last Friday, we had discussed the Gross Production Tax, and I had asked our Trustee, Madam Superintendent, to give us some information, and get back with us on it. I think I did visit with her. Was it Tuesday?

SUPERINTENDENT PHILLIPS: Tuesday, yes.

COUNCILWOMAN ERWIN: Yes. We visited about it, but Cammi (Cannaday) was there, and then I brought Cammi over to visit with Mr. Swan and give her all the information I had on it. But Cammi's not here today. So, I don't know. I was kind of hoping that she could fill us in with what she consumed, the information. It was about that thick in the folder, and get back with us and tell her what she thinks about it, but she's not here. So, I don't know what to say how feasible it would be for them to do that.

CHAIRMAN WALLER: We'll have Ms. Damron answer that. We'll have an attempt...she don't know that.

SUPERINTENDENT PHILLIPS: After our conversation that day, Cammi did come over, obtaining the information, Councilwoman Erwin, which we appreciate. I believe the discussion was that we would approach our Solicitor's office, and ask our Solicitor's office to review it and give us a recommendation. So, right now, at this point, that's where we're at. Now, Cammi, I'm sure, has reviewed it. She's not here today, so, unfortunately I can't speak on her behalf, but...

CHAIRMAN WALLER: I rather you wouldn't.

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COUNCILWOMAN ERWIN: But there's two different areas and it's the horizontal part, the wells are drilled different than actually the oil producers that qualify.

CHAIRMAN WALLER: Yes, ma'am.

COUNCILWOMAN ERWIN: If they qualify, then we can go back in and get what we paid. They have to qualify. I think that's what Mr. Swan told Cammi, yesterday.

CHAIRMAN WALLER: That's correct. Also the program ended last summer on the horizontal drill. But we can review the personnel that were given that production tax.

COUNCILWOMAN ERWIN: OK. But, anyway, since she's not here...

CHAIRMAN WALLER: Yes, ma'am. Would you like to move on?

COUNCILWOMAN ERWIN: Yes, sir, I would.

CHAIRMAN WALLER: Please. Go right ahead, Councilwoman.

IHS Data: Stephanie Erwin

COUNCILWOMAN ERWIN: I don't really know on this IHS data. It was my understanding that we had to put it out for bid, and Galen said at the last meeting that things could be done to control, I don't know what he's talking about, but anyway, I just want to know who would be putting it out for bid? Would we do it? Would the Bureau do it? I mean, who's going to do it?

CHAIRMAN WALLER: Give it a shot, sir.

COUNCILMAN REDCORN: I can answer something, here. Ashlee Bailey with IHS Markit gave an impressive presentation, came in, and wanted to meet with members of the Council. During that conversation, we asked her to go, and we were told that all this information in the BIA in Denver. She said they went to a facility, talked to Gary Deters and Jeff Hunt, and they indicated that there are no BIA Osage records up there at their facility. Everything is in Pawhuska. So, that's kind of where we are, and then, I guess Gary is in Pawhuska, this week, which was last week, trained the BIA on using NIOGEMS. He hopes to look around and file room and see if he can get, how to get an idea where this data is. Did he come...?

SUPERINTENDENT PHILLIPS: Yes, he is. He's, right now, at the Agency, providing NIOGEMS training, and Richard and I are going to speak with him, later.

COUNCILMAN REDCORN: Awesome, and I would answer it this way, Councilwoman Erwin. We tasked Ashlee Bailey to give us a quote...

COUNCILWOMAN ERWIN: Have we asked anybody else to give us a quote?

COUNCILMAN REDCORN: Well, I think it's OK, procurement-wise, to get a quote for a task. That way, we know where we're going and what we're dealing with. We do this all the time on other areas.

CHAIRMAN WALLER: But not here.

COUNCILWOMAN ERWIN: Yeah.

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COUNCILMAN REDCORN: No, if you've ever done actual work...

COUNCILWOMAN ERWIN: Well, I think they're requiring us to, for the Nation, we have to put things out for bid. Is that not right?

CHAIRMAN WALLER: I had a little chance to do that.

COUNCILMAN REDCORN: Well, if I may, the quote is just a quote, saying here's what the data is. Here's how much it's going to cost to transfer to electronic and that's it. It gives us an idea, and then we can go get ten quotes if you want. But we'll know what we're looking at, moneywise, and if the money's there, under the grant. We might not even have enough. We don't know. Until we know how much, approximately, this thing is, we'll get an idea how much it's going to cost.

COUNCILWOMAN ERWIN: So we can have a list or process the things that accomplished it?

COUNCILMAN REDCORN: They will tell us, as the experts, what the steps are, to get from A to B, and how much it's going to cost. I would say, the Minerals Council, at that time, we can sit down. Mr. Crum will be here, because he's been instrumental in developing this. We go and say, we need more quotes, we need to change direction, we need to do this, or that, but until we get that information, we won't know. So that's the only thing this thing's doing.

COUNCILWOMAN ERWIN: OK. I just want to make sure we get more than one bid on it.

COUNCILMAN REDCORN: The quote is not...

COUNCILWOMAN ERWIN: He didn't think like we have to do it, but I think we do.

COUNCILMAN REDCORN: No, I'm not saying that. I said, we had to do it, but at this juncture, this is the next floor...

COUNCILWOMAN ERWIN: I understand.

COUNCILMAN REDCORN: Once we move to a bid, then we get bids, so we can put it out for bid.

COUNCILWOMAN ERWIN: OK.

COUNCILMAN REDCORN: Companies read the scope, and submit bids. That's the procurement process, and we have to have three bids, and there's a lot of other things going on.

COUNCILWOMAN ERWIN: OK. Alright. I just wanted to make it be clear.

COUNCILMAN REDCORN: We could change directions. That's the only thing we ask Council to do. We can take her quote and throw it out the back. All we need is...

CHAIRMAN WALLER: Superintendent, then Councilman

SUPERINTENDENT PHILLIPS: I just wanted to make it clear that this is a grant that was given to the Osage Nation, so the Bureau of Indian Affairs will not be issuing or getting bids. So, we'll work with the Osage Minerals Council and the contractor and assisting you there with records.

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COUNCILMAN REDCORN: OK. Awesome.

COUNCILWOMAN ERWIN: Well, I didn't know if we were going to do it or the Nation, is my point.

CHAIRMAN WALLER: Nation.

COUNCILWOMAN ERWIN: That was my point. OK. Thank you.

CHAIRMAN WALLER: Councilwoman Boone.

COUNCILWOMAN BOONE: I just wanted to add if there are other people interested in the data process, we've got other people that want to submit bids, we need to discuss that issue. Thank you.

CHAIRMAN WALLER: OK. Councilman.

COUNCILMAN REDCORN: I appreciate each and every company that wants to bid on the process. I would ask that these companies wait until we get our scope, so they'll know what they're bidding on. So, we'll develop the scope, and send it to each and every company that's interested. Then, they'll know what to bid on. So, we're in the scope development phase of this process, I believe. I'd like to hear what Mr. Crum has to say, when he's available, because he's been, again, very instrumental in getting this project and grant going, etc., talking with Mr. Manydeeds. So, there's a lot of effort on this one. I'm proud of this grant, and I think it's going to work, and we're not committed to anybody, really, IHS or anyone. There's a lot of folks out there. Thank you, Chairman.

CHAIRMAN WALLER: Thank you, sir. Councilwoman Erwin.

Motion to go into Executive Session by Councilwoman Erwin, Second by Councilman Cheshewalla.

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

EXECUTIVE SESSION – 10:38 A.M.

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11:25 A.M. – Motion to come out of Executive Session by Councilwoman Boone, Second by Councilwoman Erwin.

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

CHAIRMAN WALLER: Coming out of Executive comes the request of Superintendent concerning the 2000 – and that should say 2017 Lease Schedule, and the lease itself will be held in February 13, 2017. Would someone like to entertain a motion to take care of that?

COUNCILWOMAN ERWIN: Are we amending the last resolution to include the date?

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CHAIRMAN WALLER: That's correct. Thank you.

COUNCILWOMAN ERWIN: Will this include the date February 13, 2017? We'll have it at the OMC Chambers starting at 10, and then, if something happens, we'll have it at the Cultural Center. We should have the...

CHAIRMAN WALLER: And we'll have to announce it in a Special Meeting and we'll have Mr. Brock do a two-day scheduling. We have to have a meeting after this week sale on the 13th. But, I'll put it in, today.

COUNCILWOMAN ERWIN: The minimum bonus.

COUNCILMAN YATES: It'll stay the same.

CHAIRMAN WALLER: You don't have to add it. It's not going to change.

COUNCILMAN YATES: Term limit and bonus stay the same.

COUNCILWOMAN ERWIN: Do we need to include the auctioneer?

CHAIRMAN WALLER: No.

COUNCILWOMAN ERWIN: No? OK.

COUNCILWOMAN RED CORN: Second.

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-ABSENT.

CHAIRMAN WALLER: We're going to amend the original resolution that we had, and this is just going to be the place, time.

COUNCILMAN YATES: Resolution 3-167.

CHAIRMAN WALLER: Thank you, sir. Repeat that, please.

COUNCILMAN YATES: Resolution 3-167, dated October 19, 2016.

CHAIRMAN WALLER: Thank you. While we're doing a little housekeeping, I'd like a motion to entertain the regular meeting dates for 2017 for the Osage Minerals Council.

COUNCILWOMAN ERWIN: I make a motion that we accept the printed out copy for the (Regular) Meeting Dates 2017, as submitted.

COUNCILWOMAN BOONE: Second.

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

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CHAIRMAN WALLER: Thank you, Council. That's all we have out of Executive...

COUNCILMAN YATES: No, as you know, we had Christy RedEagle working on our Oil and Gas Summit.

CHAIRMAN WALLER: That's correct, sir. Thank you.

COUNCILMAN YATES: It is December 7th, and I make a motion that we compensate Ms. RedEagle for her efforts in the amount of \$3,500 for planning the Oil and Gas Summit.

COUNCILMAN REDCORN: I second.

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

COUNCILWOMAN BOONE: Mr. Chairman?

CHAIRMAN WALLER: Yes.

COUNCILWOMAN BOONE: Could you have our Administrative Assistant repeat who made that motion and who seconded it. I failed to get that in?

CHAIRMAN WALLER: It was actually motion by Councilman Yates, seconded by Councilman Redcorn.

COUNCILWOMAN BOONE: Thank you.

CHAIRMAN WALLER: Excuse me, Mr. Brock? You might make an extra copy for Robert Knappe? Has he got it off of you, yet?

LOU BROCK: Not yet, sir.

CHAIRMAN WALLER: Well, he's on that agenda. If he's still here, get him one.

LOU BROCK: Yes, sir.

CHAIRMAN WALLER: Thank you, sir.

OLD BUSINESS

Biannual Consultation Reports:

CHAIRMAN WALLER: Lacey, did we pass the motion to take care of them, or do we need that today?

LACEE REYNOLDS: They're wanting you to take care of them, but...

CHAIRMAN WALLER: They're incomplete on 14. The Council's already reviewed them Thursday, and that's the ones that we have available. We have no way of pulling out the first meeting, as far as notations. Consideration from Council?

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COUNCILWOMAN BOONE: I understood from our last meeting that you were just going to sign off on them and send them.

CHAIRMAN WALLER: Don't we need to do a resolution to cover...?

COUNCILWOMAN BOONE: We need a resolution.

CHAIRMAN WALLER: Is that correct? Yes, it is. With that, I'd entertain a motion.

COUNCILMAN REDCORN: I make a motion we accept the final consultation reports as submitted by Rebecca Sher via email (to be held on December 6th).

COUNCILWOMAN BOONE: I'll second.

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

Meeting Minutes (September and October, 2016 Regular Meetings:

CHAIRMAN WALLER: Who would like to entertain this?

COUNCILMAN REDCORN: Chairman?

CHAIRMAN WALLER: Yes.

COUNCILMAN REDCORN: I make a motion we accept the meeting minutes for September 16, September 21, October 14 and October 19, as submitted by our Executive Administrative Assistant, Lou Brock, via email.

COUNCILMAN CHESHEWALLA: Second.

CHAIRMAN WALLER: With no discussion...

COUNCILWOMAN BOONE: Excuse me.

CHAIRMAN WALLER: I'm sorry, dear. Please. Councilwoman Boone.

COUNCILWOMAN BOONE: I had submitted all of my corrections, but in going over these at the last minute, this morning, I find that on October 14th, 2016, there's an additional correction that needs to be made, something really quick. It's the motion to go into Executive Session was made at 12:20 p.m., and the motion to come out of Executive Session was made at 12:20 p.m., and that's impossible.

CHAIRMAN WALLER: I don't know. I've got talent.

COUNCILWOMAN BOONE: You're not that talented.

CHAIRMAN WALLER: Yes, ma'am. With that correction, adjusted, would you want to...

COUNCILWOMAN BOONE: I would approve them, with that one...

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CHAIRMAN WALLER: So noted. Just on the time on Executive Session and coming out. Council, is everyone alright with that?

COUNCILMAN REDCORN: That's correct. That's fine. Thank you, Chairman.

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

COMMITTEE REPORTS

Oil and Gas Summit:

COUNCILMAN REDCORN: Thank you, Chairman. As you know, the Minerals Council decided to proceed with the Summit on December 7. We set the date. We kind of shifted the direction and asked Christy RedEagle to direct the efforts. She's been doing, in my estimation, a very fine job. We just now voted to compensate her for her efforts. We, as a Minerals Council, we're tasked to come up with an agenda. In front of you, Mr. Lou Brock has shown that this is a very rough draft, but committed speakers that have agreed to come to the Oil and Gas Summit. I do have one addition that I just got, this morning, and it's Bob Ballard, additionally from the University of Kansas, TORP, which is the Tertiary Oil Recovery Program, and they specialize in research on "Trapped Oil After Primary Water Flooding has come and gone". So, they're very active in Kansas. They're interested in crossing the border into Oklahoma and talking about what we need to do. What's the landscape on EOR, this trapped oil conversations with Charles Hurlburt, last year, of course, his unfortunate passing, told me he thought, production-wise, historically from 1906 or 1904 until now, we've got 10% of the total volume of that that could potentially be grabbed. So, I think it would be a nice time to start the discussion on EOR at the Summit. We also have Jim Hessert, who's done research at Phillips Petroleum for deep profile modification, using polymers and surfactants and flooding. He's an Osage Tribal member and a Headright Holder, so we've got a list of speakers for presenting for approval by the Osage Minerals Council. Chairman, thank you.

COUNCILWOMAN BOONE: Question.

CHAIRMAN WALLER: Yes.

COUNCILWOMAN BOONE: So, is this gentleman from the University of Kansas going to be added in here, somewhere, or...

COUNCILMAN REDCORN: Yes.

COUNCILWOMAN BOONE: ...substituted by somebody?

COUNCILMAN REDCORN: Added.

COUNCILWOMAN BOONE: Added? So, what, Friday afternoon at 3:00 or 4:00 or something?

COUNCILMAN REDCORN: I don't know. We're going to have to peruse this agenda and maybe double-up speakers or like the BIA, there's going to be five people. I think they can all have a slot for a question-and-answer period.

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COUNCILWOMAN BOONE: And, then they'll have another one on George Shannon. He's not going to be there to present something to our attorneys, is he?

COUNCILMAN REDCORN: George Shannon is coming. I asked George, because he came before us eighteen months ago and talked about the possibility of leasing in a different fashion, and I think it would be a good time to have a discussion on let's explore different options on leasing.

COUNCILWOMAN BOONE: So, I think that is the option that our attorney gave us. Alright. I just...

COUNCILMAN REDCORN: I mean, this is by no means an approval of anything, but I think it's a good time to start the discussion on, if we're going to move towards more investment in the Osage by our people, how's it going to be. Where is going to come, etc.? And, again, it's only a discussion. I think it'd be a great time to talk about these other opportunities grabbing that extra oil. We've got a lot of oil still in the ground, and to the tune of \$400 – \$700 Million. That's just some rough numbers of barrels that's still there, I don't know, but we haven't had a study done. Those are just figures I kind of captured from Charles Hurlburt. So, I think it's time we explore some different options on how can we grab that oil. As we know in Chaparral's operation to go after that CO₂, to flood, and we're getting 3,100 barrels a day out there. You have to rethink the process and consider a long-term investment.

COUNCILWOMAN BOONE: You know, I don't have a problem in him talking, as long as he gives kudos to our attorney for coming up with this idea.

COUNCILMAN REDCORN: That's fine.

COUNCILWOMAN BOONE: OK. Alright.

COUNCILMAN REDCORN: I don't know if we've asked our attorney to be there. Maybe he'll be there, but it'd be a great time to talk about the options that are out there.

COUNCILWOMAN BOONE: You know, I'm on the committee, and nobody ever told me about any of this stuff. I mean, I've seen what you've presented here, but at any rate. Yeah, those were the two questions I had. Thank you.

CHAIRMAN WALLER: Councilman.

COUNCILMAN YATES: I commend Councilman Redcorn and Mr. Brock for putting this together. Of course, Christy. It's a very good looking agenda. I really like the looks of it. They kind of contacted me, on and off, while I've been convalescing. One question, there is a speaker here, at 10:20, Dallas Sanborn. Could we maybe double-check that? It could be Kent Sanborn. I was wondering.

COUNCILWOMAN BOONE: Is Dallas his first name, is what I was thinking?

COUNCILMAN YATES: Just double-check that, but other than that, it's a great looking agenda. I mean, for putting it together like we did, this is great looking, good participation from the speakers.

COUNCILWOMAN BOONE: Is Eddie Streater going to be here?

COUNCILMAN REDCORN: Eddie Streater said he graciously declined. He had another meeting.

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COUNCILWOMAN BOONE: OK.

COUNCILMAN REDCORN: But Robin Phillips did say somebody from the Bureau will be here to answer the lessee questions, and we put down...Ben Daniels, Robin and we'll have to scratch Eddie Streater. OK, down on the bottom, you see the professor from Stanford, that slot has been taken over by Shane Matson. He's going to give a live presentation of a man named Jesse Cruze, who does shallower than the Mississippi zone for relooking at the 3-D seismic that these companies are trying to tackle, currently, some of the leftover oil, above this Mississippi zone. So, he and Shane have agreed to go ahead and attack that presentation that Jesse Cruze wants to do from Stanford. He's actually a consultant in California on water and Dr. Peter Clark, he's a fracking expert, and he's got a presentation on fracking and earthquakes. So he said he'd bring that presentation. He's the Chair of the Petroleum Engineering group at Oklahoma State, and actually one of my advisors. So, he's agreed to come make a presentation. Mitch Mouton, who is an ONRR expert, plus Morris Miller is a consultant on the ONRR information getting it into the system. So, they'll be available for people like, I think Donna was talking a while ago. She's interested in ONRR questions. They're going to be there for you to ask. So that's what we're hoping to get producers in there, get the lessees. We've got the EPA over here. You've got the ONRR folks. You've got BIA reps for leasing. You've got the saltwater injection folks all setting in one room, able to discuss your lease, and what's going to happen in the future. Any other questions?

COUNCILWOMAN RED CORN: I have a couple of comments. Is there an emcee?

COUNCILMAN REDCORN: Is Lou...Lou kind of shot out of here.

COUNCILWOMAN RED CORN: And then, my second comment is, we have Shane Matson up there at 10, and then you've got him again...

COUNCILMAN REDCORN: Oh, OK.

COUNCILWOMAN RED CORN: ...at 2:30, so...

COUNCILMAN REDCORN: We can scratch 2:30. He's...

COUNCILWOMAN RED CORN: Because you said the one from Stanford...

COUNCILMAN REDCORN: He's not showing up.

COUNCILWOMAN RED CORN: So, but you said Shane Matson would be there?

COUNCILMAN REDCORN: Shane Matson's committed.

COUNCILWOMAN RED CORN: But, then you've got him up here at 10. So...

COUNCILMAN REDCORN: Yeah. Scratch Professor from Stanford. I agree.

COUNCILWOMAN RED CORN: And then, scratch Shane from down there, too?

COUNCILMAN REDCORN: No. Shane's at 10:00 a.m.

COUNCILWOMAN RED CORN: OK. Then the other one I have is at 4:30 p.m. is Round Table Discussion, and then dinner. Do you think that people will stay around for dinner after...

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COUNCILMAN REDCORN: Christy RedEagle called. I did not know we were having dinner, and she said we're having dinner. I said, OK, we need a speaker, and I said, I was like you, I'd like to get out of there.

COUNCILWOMAN RED CORN: Joe Cooper is down here. Who is that?

COUNCILMAN REDCORN: Joe Cooper. Christy asked for Mr. Bighorse, the head of the gaming operations. Byron Bighorse, and Byron was going to talk about the future and marriage possibilities of our Oil and Gas Summit with whatever they're doing in Tulsa and everywhere else. So his talk is going to center on that.

COUNCILMAN CHESHEWALLA: That's Charlie Cooper's son.

COUNCILWOMAN BOONE: From Shidler.

COUNCILMAN CHESHEWALLA: Yeah. He worked for the casinos.

COUNCILMAN REDCORN: He can't make it. Mr. Bighorse cannot make it. So, Mr. Cooper has agreed to step in, in his place, and the other thing was Dr. Stefan Miska, he leads the Research Petroleum Group in the research center in North Tulsa for the University of Tulsa, and he's asked for the luncheon spot, but I don't have him committed because that's up to the Minerals Council, but he leads the research on earthquakes. They do seismic research. They do downhole bore research. They've got a pretty impressive operation going on I visited, when we were doing the orphan well project, putting that together, and we've got them committed, and involved. But of course that one went south, but I think that the interest from TU, and those researchers and that area. We're trying to make – I guess the flavor is to get producers doing better in the field, and what technologies are out there, what things maybe they can try this or that to get more oil out. Kind of shifting focus. We've always been geology-driven in our delivery of Summits in the past.

CHAIRMAN WALLER: Council. Are we needing a resolution?

COUNCILMAN REDCORN: I was going to ask if I could make a resolution.

CHAIRMAN WALLER: As recommended by the Summit Committee?

COUNCILMAN YATES: Yes.

COUNCILWOMAN RED CORN: Because that's, what, three weeks away?

COUNCILMAN REDCORN: Yes. So, Chairman, if I may, I'll make a resolution to do that with the Minerals Council accepting this agenda as developed by Lou Brock, who is our communication between the Minerals Council and the Summit Committee. He's been designated that person by us. So, he's put this together, and the only thing we need to do is refined the times and slots.

COUNCILWOMAN ERWIN: I second it.

COUNCILMAN REDCORN: May I go over the corrections?

CHAIRMAN WALLER: If you'd like.

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COUNCILMAN REDCORN: Councilman Yates cleared up Mr. Sanborn, as his first name is Kent. So that correction needs to be made. We're going to scratch Professor from Stanford, and we're going to ask Mr. Stefan Miska to do the luncheon talk. Everything else...

CHAIRMAN WALLER: Councilwoman.

COUNCILWOMAN BOONE: I would like George Shannon to clarify what he's going to talk about. I don't know what he's going to talk about. Like I said, if he's going to use Mr. Fredericks' information, then, it needs to be addressed.

COUNCILWOMAN RED CORN: I think Mr. Shannon come here before Mr. Fredericks.

COUNCILWOMAN BOONE: Well, what if he came to us before or not...

COUNCILWOMAN RED CORN: He came to us with that idea.

COUNCILWOMAN BOONE: I'd have to say I don't agree with that. I think he got the information somehow, and I believe it's from our attorney. I'm just asking to clarify what was he going to talk about, "Working with Tribal".

COUNCILMAN REDCORN: He's presented it, his presentation, in an open meeting. His concept.

CHAIRMAN WALLER: Call for the question.

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

COUNCILMAN REDCORN: Again, I appreciate Lou Brock. This is a difficult situation, but it's rolling smoothly. We've got a pretty good staff. I think Lacee has been involved in a lot of efforts. So, our staff is really impressive. I thank both of you on your efforts to get these things rolled out, very much.

COUNCILWOMAN BOONE: I have a question. How many people do we have pre-registered for this event? OK.

CHAIRMAN WALLER: Council.

Scholarship Committee:

COUNCILMAN YATES: If we're still on Committee Reports, I'd like to remind everyone that we've got scholarship committee, and we need a meeting probably. But if not, we just need to get something into the Media, announcing that we've got scholarships available coming up in December for the Spring.

CHAIRMAN WALLER: We're on that. We have a space left in our newsletter that Mr. Brock and I will go ahead and put on our website.

COUNCILMAN YATES: OK. Just so it's out there. It's November, coming up on December pretty quick.

CHAIRMAN WALLER: OK. Yes.

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COUNCILWOMAN ERWIN: I'd like, on December 6th's meeting Biannual Meeting, do we already have an agenda for that? If we have, I haven't seen it.

CHAIRMAN WALLER: It's the same as we've always had.

COUNCILWOMAN ERWIN: Has anyone notified our attorney that he does need to be there, and we're supposed to have an attorney there?

CHAIRMAN WALLER: I had actually talked to Mr. Fredericks, and yes, we have that. But, I'll make sure of it, by this evening.

COUNCILWOMAN ERWIN: OK. Alright.

CHAIRMAN WALLER: Council.

COUNCILWOMAN BOONE: Moving our money, what are we going to do with it?

CHAIRMAN WALLER: It'll take at least two of us.

COUNCILWOMAN BOONE: OK.

CHAIRMAN WALLER: Those signature cards. There has to be three of us to move that quarter million. I'm prepared to go tomorrow, or I'd kind of like to go to gaming tomorrow.

COUNCILWOMAN BOONE: I can go tomorrow, too.

CHAIRMAN WALLER: But, we'll take care of that, and then the Council's OK with where we're going?

COUNCILWOMAN BOONE: As far as I know.

(Communication mixed at this point – Unable to transcribe.)

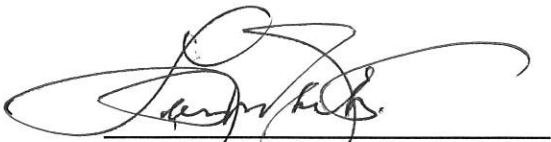
CHAIRMAN WALLER: Council, anything to add before we adjourn?

Councilwoman Erwin made the motion to adjourn, second by Councilwoman Boone.

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

Adjournment – 11:54 A.M.

Approved:


Executive Administrative Assistant
Chairman

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