

**OSAGE MINERALS COUNCIL  
REGULAR MEETING MINUTES  
JULY 19, 2017**

**1. CALL TO ORDER**

Chairman Waller called the meeting to order at 10:00 AM.

**2. OPENING PRAYER**

Councilman Cheshewalla gave the opening prayer.

**3. ROLL CALL**

Lacey Reynolds called roll. The Osage Minerals Council members present were: Cynthia Boone, Joseph Cheshewalla, Stephanie Erwin, Kathryn Redcorn, Talee Redcorn, Everett Waller, Andrew Yates. A quorum was declared. Councilman Crum was absent.

Guests present were Joy Ledbetter, Jinx Geurin, Mike Wachtman, Myron Redeagle, Kandy Jump, Tom Thralls, Kevin Paslay, Leigh Kuykendall, Rishelle Andarakes, Dusty Dann, Donnie Wachtman, Mike McCall, Julie Malone, Rosemary Wood, Don Williams, Nathan Buchanan, Nona Roach, Linda Heskett, Julie Wilson, Teresa Bates Rutherford, Beverly Brownfield, Rhonda Wallace, Janet Crow.

**4. ACCOUNTANT REPORT**

The accountant reports were in the Council's books.

**5. DIRECTOR REPORT**

Director William Lynn reports that the North Bird Creek situation is something that we still need to look into. There will be a share point with the EPA. The contact person is Willie Lane, he is the field inspector contact person out of Dallas. Mr. Lynn has talked to numerous people about this, but has not visited the site himself yet. Councilman Cheshewalla asked Councilman Yates if he could check out the North Bird Creek site, Councilman Yates said that he could, however they would need to contact the ranchers. Councilman Redcorn asked the Superintendent if the Nation's EPA is involved in this. She responded that she believes that we have all been involved in this issue. She states that the EPA is the lead agency on this, and has asked the companies to shut in or shut down, etc. Councilman Redcorn asks if this is a class two injection well problem or if it is something different? Director Lynn stated that at this point we don't have an answer. Deputy Superintendent, Richard Winlock states that the hot spots, where it is coming out seem to be moving down stream. Director Lynn states that the FOIA, oil and gas exemptions include geologic maps and seismic information. There actually has been no ruling on well files and well data so the only thing I see that could be proprietary would be if someone actually dropped their wallet into the file. The American Burying Beetle is an obstacle that we face, when looking at the endangered species act, the implementation under section 10 is optional. The Superintendent states that the under FOIA the agency is not saying that they will not release those, but they are asking for the requests to be in writing. As far as ABB it is required. Director Lynn states that when looking at the act he cannot see why it is required, Councilman Redcorn agrees with his statement, and states that the EIS is an overreach. Director reports that we start digitizing the Oswego and Mississippi maps available to the public, and since it has been ruled on under the FOIA we can start this now. Director says we should create complete seismic records in Osage and make geospatial maps available to the public. We have received a draft list on the orphan wells in Osage, there are 1,602 wells to be plugged or Orphan wells. Hopefully some of these can be in a lease sale coming up. Councilwoman Erwin stated that there were

Oswego and Mississippi maps at the BIA and they were taken to the recycle center. Superintendent Phillips states that the past Superintendent notified the OMC of the dates that the records were going to be sent to recycling and that the BIA needed the space. Councilman Yates asked Director Lynn if he has begun working on the agenda for Oil & Gas Summit. Director Lynn states that he has contacted Christy Redeagle and that we need to come up with a date ASAP. Councilman Yates asks that Director Lynn be added in on the BIA communications. Councilman Cheshewalla states that there was a recent earthquake by Stroud.

## **6. BIA REPORT**

Superintendent Phillips reports that for the month of June the Branch of field operations scanned over 3,074 purchase run tickets, 21 well plugging's witnessed, 9 trucking permits prepared, 47 gas meter reports, addressed 12 complaints, 52 lease inspections, 51 lease follow up inspections, 2 lac unit proving's 26 gas meter proving's, 42 tank strappings witnessed, addressed 110 land owner lessee meetings, 13 complaints were responded to, 29 spills and leaks inspected, 34 follow ups on spills, 2 archeological surveys, 53 tanks were gauged, 3 tank bottom removals were witnessed. The branch of lease management reported 17 assignments were approved, 18 division orders were approved, 55 lease terminations. Lease management identified 18,095 3,265 for saltwater disposal wells. 14,830 wells reported. 3 leases that sold the most, APAC- 73,760 tons and \$40,563 royalty paid, Candy Creek Crusher- 19,957 tons \$10,178 royalty paid, Casey Hindman- 12,895 tons, \$12,766 royalty paid. Nine request for lease information, one was a FOIA, the other eight were non FOIA. The branch of subsurface minerals approved a workover permit and 4 plugging permits. The branch of accounting provided Mr. Swan with the monthly reports. The branch of enforcement and lease compliance reported that they completed one EA for APD that covered 9 permits the issued 35 noncompliance letters, 10 non production letters, granted 15 extensions, issued 5 letters for spill remediation and reporting notices, one exemption reporting letter.

Superintendent states that the moving of real-estate services by the tribe, has left a vacant area in the agency, and we are moving the Branch of Field Operations back up here. Councilwoman Boone asks why there were 12 complaints scanned, and they responded to 13 complaints, how is that possible. Superintendent says that it could have been a complaint from last month. Councilwoman Boone say oh so you don't keep it current, okay. Superintendent Phillips says no this is what has been done in the month. Councilwoman Boone says but it is an old complaint. Councilwoman Boone says refresh my memory on the difference in the gravel, one provider did 19,000 tons and paid \$10,000 in royalty, the other guy had less tonnage and paid more royalty, what is the reason for that? Superintendent states that Candy Creek Crusher was approved at less than 10% and still falls within the 5 years, so they are at a reduced rate. We are working on making a notification to APAC, that they are going to have to pay the 10%, we have the resolution. In the past they came in and felt like they were the only ones, we now have Casey Hindman paying 10 %. We will issue a letter hopefully within the next week notifying them that they will have to pay the 10%. Chairman states that he believes we lease it for 5 years, but we negotiate the price every year. Councilwoman Boone agrees, and states that the reason Superintendent has not been able to get ahold of Jim Swan is because he is on sick leave, and has been out of the office. Councilman Cheshewalla addresses the Superintendent, saying that last month he got a letter in the mail from the BIA stating that the oil company on their land is about to begin a workover operation, and that that this the first time he has received that letter. What policy has changed? Superintendent says that the Solicitor's office has informed the agency that they will need to provide notification to all the landowners when we make any decision as far as the drilling of a well, workover, or anything to that effect. So that is what we are having to do, and we are having to give them appeal rights as well, they can't proceed with the permit until the 30 days. That is something that the Solicitors office has advised

the Agency to do. I have no control over that. Councilman Cheshewalla says well personally, if they want to drill a well in my backyard they can have at it. Councilman Redcorn states that this is a new thing, and that as Osage people we have a preemptive right to go after our resources without any hindrance from anyone else. So these things administratively that we are putting down is impacting our right. I think we need to challenge this decision and several others. These seem to hurt our Osage people. This is the only income that some people get. When some people say that they used to get 80 leases approved a year to two. We have a problem. These decisions are impacting the financial stability of our people. Councilwoman Boone says that this is just another stumbling block from the Solicitor to our oil men. Councilwoman Erwin wants to know what the findings were on the 26 meter proving's, and how you decided what meters to inspect. Superintendent Phillips asks Deputy Superintendent to answer Councilwoman Erwin's question. Deputy Superintendent says that they get a notification from the meter tester, and we witness the test being done. Councilwoman Erwin asks but what do you do to take care of that. Deputy Superintendent say that they do a report on it Councilwoman Erwin ask if the OMC gets the reports. Deputy says that they are in the Osage Nation report, that is part of the quarterly report.

## **7. NEW BUSINESS**

### **a) Letter to Zinke and President-Stephanie Erwin**

Councilwoman Erwin says that she had a letter prepared for the president with a cc to Zinke. Waiting to be reviewed at next meeting.

### **b) WWW Oil Company Log Library- William Lynn**

Director Lynn asks if the council has any questions. The matter will be taken to executive.

### **c) Jireh- Lanny Woods**

Not present at meeting.

**Councilwoman Erwin made a motion to enter executive session, seconded by Councilwoman Boone.**

**Motion Passed: Councilwoman Boone-Yes, Councilman Cheshewalla- Yes, Councilwoman Erwin- Yes, Councilwoman Red Corn- Yes, Councilman Redcorn- Yes, Chairman Waller- Yes, Councilman Yates- Yes. (7-yes, 0-no)**

**Enter Executive- 10:53 AM**

## **8. EXECUTIVE**

**Motion by Councilman Cheshewalla to come out of executive, 2<sup>nd</sup> by Councilwoman Boone.**

**Motion Passed: Councilman Cheshewalla- Yes, Councilwoman Erwin- Yes, Councilwoman Redcorn- Yes, Councilman Redcorn- Yes, Chairman Waller- Yes, Councilman Yates- Yes, Councilwoman Boone- Yes. (7-yes, 0-no)**

**Out of Executive- 12:00 PM**

Chairman Waller calls the meeting to order, announces there are no votes coming out of executive.

**Councilwoman Erwin makes a motion to purchase WWW Oil log library at their asking price, \$50,000. Seconded by Councilman Cheshewalla.**

**Motion Passed: Councilwoman Erwin- Yes, Councilwoman Red Corn- Yes, Councilman Redcorn- Yes, Chairman Waller- Yes, Councilman Yates- Yes, Councilwoman Boone-Yes, Councilman Cheshewalla- Yes. (7-yes, 0-no)**

Councilwoman Erwin says that she would like to send the letter to Zinke today, and asks if the rest of the council would like input. Councilwoman Red Corn asks for further clarification on the ABB. Councilman Yates says that he will be voting no due to the letter being incomplete.

**Councilman Redcorn makes a motion that we send the letter to Zinke and President, and that Councilwoman Erwin and second chair do a final review and edits before sending the letter. Seconded by Councilman Cheshewalla.**

**Motion Passed: Councilwoman Red Corn- Yes, Councilman Redcorn- Yes, Chairman Waller- No, Councilman Yates- No, Councilwoman Boone-Yes, Councilman Cheshewalla- Yes, Councilwoman Erwin- Yes. (5-yes, 2-no)**

## **9. OLD BUSINESS**

### **a) Bill Park**

Not present at meeting.

### **b) Osage Minerals Council LLC- Stephanie Erwin**

Councilwoman says she would like to wait on this until Councilman Crum's special meeting. Item tabled

### **c) Travel**

Chairman Waller has an invitation from the Chief to go to the White House for a meeting with the Department of Energy, Deputy assistant secretary of the Interior. Chairman will fly out on August the 2<sup>nd</sup>, meetings on the 3<sup>rd</sup>, and fly home the 4<sup>th</sup>. Chairman has not yet received an itinerary. Councilman Redcorn voices support for the trip. Councilwoman Red Corn supports bringing attorney to DC.

**Councilwoman Erwin makes a motion for Chairman to attend meetings in DC with OMC attorney Rollie Wilson to provide reports. Seconded by Councilman Cheshewalla.**

**Motion Passed: Councilman Redcorn- Yes, Chairman Waller- Yes, Councilman Yates- Yes, Councilwoman Boone- No, Councilman Cheshewalla- Yes, Councilwoman Erwin- Yes, Councilwoman Red Corn- Yes. (6-yes, 1-no)**

### **d) Director needs**

Director says that his needs are Petra, MJ logs, and a scanner. Councilwoman Boone asks what the price of those three are. Director states \$27,000 for everything. Councilwoman Boone asks why the director needs, \$27,000 is not in the FY 18 Budget. 2<sup>nd</sup> Chair states that it comes out of FY 17, and that the funds are available.

**Councilwoman Erwin makes a motion to approve the Director needs out of the C 395 budget. Seconded by Councilwoman Redcorn.**

**Motion Passed: Chairman Waller- Yes, Councilman Yates- Yes, Councilwoman Boone- Yes, Councilman Cheshewalla- Yes, Councilwoman Erwin- Yes, Councilwoman Red Corn- Yes, Councilman Redcorn- Yes. (7-yes, 0-no)**

Councilwoman Erwin makes a motion to modify the 2017 budget to reflect \$27,000 to be put in a line item for equipment, out of the C395 budget. Seconded by Councilman Yates.

**Motion Passed:** Councilman Yates- Yes, Councilwoman Boone- Yes, Councilman Cheshewalla- Yes, Councilwoman Erwin- Yes, Councilwoman Red Corn- Yes, Councilman Redcorn- Yes, Chairman Waller- Yes. (7-yes, 0-no)

## **10. COMMITTEE REPORTS**

### **a) Budget**

Councilwoman Red Corn presents the FY 2018 budget draft. Motion by Councilwoman Red Corn. Councilwoman Boone says there is an item for a contract for someone to do meeting minutes and BIA letters, and she will be voting no on this budget. Councilman Redcorn asks if the director is handling the budget, and that we are the only ones that don't have the director handling the budget. Councilwoman Red Corn ads that we have had the budget committee in place due not having a director until recently, and that she would be happy to transfer the duties. Councilwoman Erwin asks if the Director has looked at the FY 18 budget. Director says that yes, he sat in on the meeting. Chairman says that we will go back and review.

### **b) Scholarship**

Councilman Yates moves to reopen the scholarship. Continuing the deadline until August first.

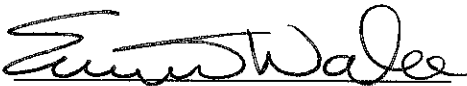
## **11. ADJOURNMENT**

**Motion by Councilwoman Boone to adjourn, seconded by Councilwoman Erwin.**

**Motion Passed:** Councilman Cheshewalla- No, Councilwoman Erwin- Yes, Councilwoman Red Corn- Yes, Councilman Redcorn- Yes, Chairman Waller- Yes, Councilman Yates- Yes, Councilwoman Boone- Yes. (6-yes, 1-no)

**Adjournment- 12:35 PM.**

Approved:

  
Chairman Waller

  
Executive Administrative Assistant