

**OSAGE MINERALS COUNCIL
REGULAR MEETING MINUTES
JANUARY 12, 2018**

1. Call to Order

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

2. Opening Prayer and reading of the Deceased Osages

Councilwoman Boone gave the Opening Prayer and read the names of the deceased Osages.

3. Roll Call

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

Guests present were: Nona Roach, Roy Fletcher, Kyle Johnson, Kandy Jump, Tim Gaul, John Harper, Hallie Winter, Christian Johnson, Matt Tilley, Maria Whitehorn, Florence Bigheart Trantum, Joy Ledbetter.

4. New Business

Chairman Waller announces that Executive session will be moved up due to AEP representatives needing to get back before a snow storm. Councilwoman Redcorn asks how the Oil Derrick discussion got on the agenda, that it is on the nations property so it should be a nations decision.

a. Osage Nation- Hallie Winter & Casey Johnson- Oil derrick

Director of Operations Casey Johnson says that he is seeking a recommendation from the Council on what to do about the Oil Derrick in front of the museum, it is in rough shape. He says that they thought it would be appropriate to ask the council what they thought would be appropriate. There are new projects going up in front of the Museum in this same area. They are just seeking the Council's thoughts on this issue. Chairman asks Ms. Winter if she is interested in keeping this as an element for her museum. Hallie Winter says that she would like to defer because it was built as part of the bicentennial project by the Osage Tribal Council, now that there is no longer a Tribal Council, I wanted to get the Minerals Councils recommendation for it. Chairman announces that they will take the matter to Wednesday.

b. 4T Energy LLC- Matt Tilley- New Oil & Gas Lease

Matt Tilley says that he purchased Eagle Road Oil, and is here wanting to lease a quarter section next to him. The lease was terminated in 2010. NE 1-21-9. Councilman Yates asks if well 25 was the only open well bore on the lease. Mr. Tilley confirms. Councilman Yates asks if there are any horizontals on this. Mr. Tilley says that there are 17 wells and 8 disposals. Councilman Crum asks what he is asking for lease bonus. Councilman Yates says \$6800 combination oil and gas including less coal bed methane minimum. Mr. Tilley says that he doesn't think there is anywhere to sell gas in that area. Councilman Crum says that we need to decide on lease sale dates before dealing with this. Councilman Redcorn would like to move this to the auction. Councilman Yates asks if the council can request logs on the lease in question. Chairman says they will get a letter for him to look at the information. Councilwoman Red Corn would like to say for the record that the Superintendent is not present.

c. Lease Sale Dates- Galen Crum

Councilman Crum would like to have quarterly lease sales that are in sync with payment months, and hold them on the first Wednesday of the month. He would like to have the lease sale in the Chambers, and the Council can get an auctioneer. He would like to look at Energy Net as an option for later lease sale dates. Councilwoman Erwin asks if there are any idea that Councilman Crum has to get access to the records. Councilman Crum says that he addressed that matter at the consultation meeting and the Council is supposed to have feedback on that this month. Councilwoman Erwin asks if Councilman Crum has talked to the Superintendent about this. Councilman Crum says that he has not, the Superintendent will be at the meeting Wednesday. Councilman Redcorn says that he is hopeful for the grant because it will help get information without going through the FOIA.

Councilman Redcorn makes a motion to suspend the rules, seconded by Councilman Crum.

MOTION PASSED: Councilwoman Boone- No, Councilman Cheshewalla- Yes, Councilman Crum-Yes, Councilwoman Erwin-No, Councilwoman Red Corn- Yes, Councilman Redcorn- Yes, Chairman Waller- Yes, Councilman Yates- Yes. (6-yes, 2-no)

Councilman Crum makes a motion to have a quarterly lease sale corresponding with payment months, on the first Wednesday starting with March 2018. Seconded by Councilman Redcorn.

MOTION PASSED: Councilman Cheshewalla- Yes, Councilman Crum-Yes, Councilwoman Erwin-Abstain, Councilwoman Red Corn- Yes, Councilman Redcorn-

Yes, Chairman Waller- Yes, Councilman Yates- Yes, Councilwoman Boone- Yes. (7-yes, 0-no, 1-abstain)

Councilman Crum makes a motion to go into Executive, seconded by Councilman Redcorn.

MOTION PASSED: Councilman Crum-Yes, Councilwoman Erwin-No, Councilwoman Red Corn- No, Councilman Redcorn- Yes, Chairman Waller- Yes, Councilman Yates- Yes, Councilwoman Boone- Yes, Councilman Cheshewalla- Yes. (6-yes, 2-no)

Enter Executive- 10:40 AM

5. EXECUTIVE

a. AEP Windcatcher- Tim Gaul

New Business Cont.

Councilwoman Erwin makes a motion to come out of Executive session. Seconded by Councilman Redcorn.

MOTION PASSED: Councilwoman Erwin-Yes, Councilwoman Red Corn- Yes, Councilman Redcorn- Yes, Chairman Waller- Yes, Councilman Yates- absent, Councilwoman Boone- Yes, Councilman Cheshewalla- Yes, Councilman Crum-Yes. (7-yes, 0-no, 1 absent)

Exit Executive- 12:02 PM

d. Congress office space and appropriations for space costs- Cynthia Boone

Councilwoman Boone says that there is a Congress person willing to write legislation to waive the Council's Space Cost and Indirect Cost. Last year the Council spent \$76,200 in Indirect Cost, and \$16,000 in Space Cost. Councilman Cheshewalla confirms that this would be for our regular part and Congress's old space. Councilwoman Boone confirms, and that it will be at no cost. Councilman Crum says that the costs change yearly, and it is an election year, he is worried the council may get stuck with the cost later.

e. Buffalo Data Contract & Extension- William Lynn

Director Lynn says that the nation is asking for a 90-day extension due to lack of data accessibility. It will cost \$2,203 a year for the amazon site. For Buffalo Data to run the website it will cost \$500 a month. Director says that Mark Cooper believes that we can use the grant money to run it. For around \$40,000 Buffalo Data could beef up the website over a ten-month period. Chairman asks if this needs to be on the next agenda, confirms that the matter will be under Director's report.

f. Landowner Appeals- Stephanie Erwin

Councilwoman Erwin would like to move this to Executive on Wednesday. Chairman confirms.

6. Old Business

a. PE Osage- Roy Fletcher

Mr. Fletcher reports that they have gotten evaluations on the equipment. Mr. Fletcher has communicated with the director. They have raised their offer to \$10,000 for the equipment. Councilwoman Erwin confirms that he is asking 1/8th royalty for the water flood only, the other zones would be at 20% and \$10,000 for the equipment. Chairman says that the money will be placed in the S510 account.

Councilman Redcorn makes a motion to suspend the rules, seconded by Councilwoman Erwin.

MOTION PASSED: Councilwoman Red Corn- Yes, Councilman Redcorn- Yes, Chairman Waller- Yes, Councilman Yates- Yes, Councilwoman Boone- Yes, Councilman Cheshewalla- Yes, Councilman Crum-Yes, Councilwoman Erwin-Yes. (8-yes, 0-no)

Councilwoman Erwin makes a motion to accept the water flood at 1/8th royalty and any other at 20 %, sell equipment for \$10,000 and be to put into S510 account. Seconded by Councilman Redcorn.

Chairman clarifies that the waterflood zones are the Prue, Skinner and Bartlesville, calls for discussion. Councilman Crum clarifies that we are setting precedent for future waterfloods to be at 1/8th royalty.

MOTION PASSED: Councilman Redcorn- Yes, Chairman Waller- No, Councilman Yates- Yes, Councilwoman Boone- No, Councilman Cheshewalla- Yes, Councilman Crum-Yes, Councilwoman Erwin-Yes, Councilwoman Red Corn- Yes. (6-yes, 2-no)

b. Nape Travel for Councilman Redcorn

Chairman announces need a separate resolution for Councilman Redcorn to travel to NAPE

Councilman Crum makes a motion to suspend the rules, seconded by Councilman Yates.

MOTION PASSED: Chairman Waller- Yes, Councilman Yates- Yes, Councilwoman Boone- Yes, Councilman Cheshewalla- Yes, Councilman Crum-Yes, Councilwoman Erwin-Yes, Councilwoman Red Corn- Yes, Councilman Redcorn- Abstain. (7-yes, 0-no, 1-abstain)

Councilman Crum makes a motion to approve resolution 3-264 A, seconded by Councilwoman Redcorn

MOTION PASSED: Councilman Yates- Yes, Councilwoman Boone- Yes, Councilman Cheshewalla- Yes, Councilman Crum-Yes, Councilwoman Erwin-Yes, Councilwoman Red Corn- Yes, Councilman Redcorn- Abstain, Chairman Waller- Yes. 7-yes, 0-no, 1-abstain)

c. Rocky Banks & Joe Schmidt- amend 214 lease

Chairman moves the matter to Wednesday.

d. PPDM- William Lynn

Director would like to become a member of PPDM to assign API numbers.

Councilman Crum would like to identify criteria for a water flood.

e. Meeting Minutes

7. Committee Report

Councilman Yates announces that they still need to make the decision for the Scholarship on Wednesday.

Councilwoman Erwin addresses Matt Tilley, "Mr. Tilley did you get your information that you went over there (BIA) to get"? Mr. Tilley says no. Councilwoman Erwin asks if he had a letter? Mr. Tilley confirms that he did have a letter, they said they needed to call CEP and ask their permission, because they are still responsible for that well. Mr. Tilley says he doesn't see how that can be when it was terminated in 2010. Chairman announces that he had a letter from the Chairman in hand when he went to the BIA. Councilman Crum would like to see the information issue on the agenda Wednesday. Councilwoman Erwin said that in the bi annual meeting they said they could provide them with information in 30 days. Councilwoman Boone asked Chairman to walk over to the BIA with Mr. Tilley and see why he is unable to see the information.

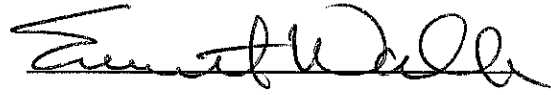
8. Adjournment

Councilwoman Erwin makes a motion to adjourn. Seconded by Councilman Crum.

MOTION PASSED: Councilwoman Boone- Yes, Councilman Cheshewalla- Yes, Councilman Crum-Yes, Councilwoman Erwin-Yes, Councilwoman Red Corn- Yes, Councilman Redcorn- Yes, Chairman Waller- Yes, Councilman Yates- Yes. (8-yes, 0-no)

Adjournment- 12:49 PM

Approved by:

A handwritten signature in black ink, appearing to read "Samuel Wall", written over a horizontal line.

Chairman

A handwritten signature in black ink, appearing to read "Amy Black", written over a horizontal line.

Executive Administrative Assistant