



*Osage Minerals Council*  
Regular Meeting  
October 7, 2022  
Pawhuska, Oklahoma

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1. **Call to Order and Welcome by Chairman Waller** – 10:00 a.m.
2. **Opening Prayer & Reading of the Deceased** – **Second Chairman Cheshewalla**
3. **Roll Call** – **Chief of Staff Lacey Reynolds**

Councilmember Bighorse – present  
Second chair Cheshewalla – present  
Councilmember Currey - absent  
Councilmember Red Eagle – present  
Councilmember Redcorn – present  
Councilmember Revard – present  
Councilmember Shackelford – present  
Chairman Waller – present

**Guests:** Thomas Oast, Don Williams, Robert Knappe, EW Carter, Clifford Taylor, Chuck Spurgeon, Del Olivarez, Beverly Brownfield, Teresa Rutherford, Rhonda Wallace.

4. **New Business**

- a. **CEP:** Don Williams gave his condolences to the loss of the Council's staff member. He is here to negotiate two leases with the Council. **Council Revard** asks if they have any CBM wells on this property. Mr. Williams says yes Sir. **Council Revard** asks if these were tracks they previously had that were terminated for lack of production. Mr. Williams says yes Sir.

- i. **Resolution:** Grant CEP Mid-Continent, LLC a new oil and gas lease for the SW/4 section 30-T20N-R11E with a lease bonus of \$5550, royalty rate of 20% and a three-year primary term. The second is a coal bed methane only lease for NW/4 of section 34-T21N-R9E with a lease bonus of \$2100, royalty rate of 20% and a three-year primary term.

Motion by **Second Chair Cheshewalla**

Councilmember Bighorse – y  
Councilmember Currey – a  
Councilmember Red Eagle – y  
Councilmember Shackelford – y

Second by **Council Red Eagle**

Second Chairman Cheshewalla – y  
Councilmember Redcorn – y  
Councilmember Revard – y  
Chairman Waller – y

Motion **PASSED** YES: 7 NO: 0 ABSTAIN: 0 ABSENT: 1

- b. **Jones and Buck:** Mr. Oast is here to negotiate four new leases.

- i. **Resolution:** Grant Jones and Buck Development, LLC with four new oil and gas leases less coalbed methane to Jones and Buck Development, LLC with a lease bonus of \$4700 per quarter section, royalty rate of 20% and a three-year primary term for the quarter sections, NE/4 Section 34-T29N-R7E, SE/4 Section 35-T29-R07E and SW/4 Section 35-T29N-R7E, NW/4 Section 35-T29N-R7E.



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Motion by **Second Chair Cheshewalla**

Councilmember Bighorse – y

Councilmember Currey – a

Councilmember Red Eagle – y

Councilmember Shackelford – y

Motion **PASSED** YES: 7 NO: 0 ABSTAIN: 0 ABSENT: 1

Second by **Council Red Eagle**

Second Chairman Cheshewalla – y

Councilmember Redcorn – y

Councilmember Revard – y

Chairman Waller – y

- c. **Performance Petroleum Company:** Mr. Knappe is here to make an amendment to his previous offer, Resolution 5-14 to change Range 7 East to Range 8 East.

i. **Resolution:** Amend Resolution 5-14

Motion by **Council Red Eagle**

Councilmember Bighorse – y

Councilmember Currey – a

Councilmember Red Eagle – y

Councilmember Shackelford – y

Motion **PASSED** YES: 7 NO: 0 ABSTAIN: 0 ABSENT: 1

Second by **Council Redcorn**

Second Chairman Cheshewalla – y

Councilmember Redcorn – y

Councilmember Revard – y

Chairman Waller – y

5. **Old Business:**

a. **Budget:**

**Chairman** says that this is the budget worksheet from the Osage Nation. **Chief of Staff Lacey Reynolds** said that this is the 2022 budget, and that 2023 budget is needed to operate. She said budgets can be modified at any time and that something in writing is needed to do our drawdowns to operate. **Council Redcorn** asked is this the million dollars budget. **Chief of Staff Lacey Reynolds** said right. **Council Revard** asks if these numbers that have been spent, are out the door, and what is the status of these numbers as of September the 30<sup>th</sup>. **Chief of Staff Lacey Reynolds** said that these aren't actual numbers, and that it is what can be spent in line items. **Council Revard** said he understands doing the budget for future expenditures but if we're being shown something for the fiscal year 2022 that it's already concluded. He said he'd like to see the fiscal year 2022 in financial information and not what we were hoping or expected it to be. He said it has already come and gone, and asked so can we not look at the fiscal year 2022 financial information. **Chief of Staff Lacey Reynolds** said that 2022 has not been completely closed out and that the September payments are still being processed. **Council Revard** said that's nobody's ever discussed one single invoice with him on anything as a council member. He would like to know how much money we have in the account. He said as a councilmember he is responsible for the million dollar budget that we have and he doesn't know where we are on anything.

**Second Chair Cheshewalla** asks if we are up on our Barrister's payments.

**Chairman** said that our accounting is going to close and will have the numbers



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you're requesting for that payment. He said the sheets in front of you show the 2021 actual 21 budget and then this is the proposed 22 budget which every parameter at this moment will fall under this requirement. **Chief of Staff Lacey Reynolds** said that this is what is approved for 2022 and that we need something for 23. **Council Shackelford** said that it's a good idea to have our accountant come over at some point and sit down with the council and go over these items and details that way if we have any questions. **Chairman** said that the council has not done any line item budget modifications to change these numbers which will be the next request from accounting if necessary to take from one valid line item and then put it into another to pay a bill. **Council Red Eagle** said that when he was on the second Minerals Council, that it was about the same and that they had accountants tell them where they were exactly, how much they owed, and what they had left. He said the Osage Nation controls the accounting who hire their own people, and that we don't hire.

- i. **Resolution:** To have the Osage Nation accounting come here, sit there and tell us where we are, how much we owe, and what the 2023 budget is going to be.

Motion by **Council Red Eagle**

Councilmember Bighorse – y

Councilmember Currey – a

Councilmember Red Eagle – y

Councilmember Shackelford – y

Motion **PASSED** YES: 7

NO: 0

Second by **Council Shackelford**

Second Chairman Cheshewalla – y

Councilmember Redcorn – y

Councilmember Revard – y

Chairman Waller – y

ABSTAIN: 0

ABSENT: 1

Short recess: 10:29am

**Chairman** said that we were discussing the budget element for 2023 reviewing of the 2022 proposal budget. **Tyler McIntosh** introduces himself as the Osage Nation Treasurer currently working in the treasurer department and is here to answer questions. He said he looks forward to what kind of financial package to start putting together for this council. He said he wants to address any concerns with what may be voting back with this fiscal year 23 proposed budget and that his understanding is that the budget still has not been forwarded to Congress for appropriations for operating the fiscal year 23. He said he wants to address whatever information you're not getting while address information you'd like to see on a monthly basis. **Chief of Staff Lacey Reynolds** said the budget for the C395 does not need to be forwarded to Congress. She said that is our operating money that comes from BIA, however we can't do a drawdown from the BIA until we provide them with a budget. **Chairman** said that's correct.

**Council Revard** introduces himself and asks what the monthly packet is. **Mr. McIntosh** said that he thinks he's here to find out from the council what



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information it is you received, balance sheets, statement of revenue, and expenditures. **Council Revard** asks what he has been giving them. **Mr. McIntosh** said that he has not seen anything that has been applied so if there is something that has been provided in the past four years it can be forwarded to him. He said he can start there and review that. **Council Revard** said that he guesses there hasn't been a packet for the Minerals Council. He asks if they need Congress' approval of our budget, and his [Treasurer's] approval for anything they do. **Mr. McIntosh** said that he would probably go and read the legislation to set up the council to answer that question. He said this is more of the council's budget so it's really more of the discretion of what the council decides how the budget used needs to look. He said he thinks the concern would be whether or not repeating the deadline or not to be able to control monies if the council is wanting to spend money. He said we'd have to be able to bring money in to push money out. He said he's receiving invoices in October for services and goods purchase occurred prior to September 30. His timeline is that he's requesting all invoices that need to be posted to this year 22 Treasury in had by the 24<sup>th</sup> of October. He said if he doesn't receive any invoices in November and December that he can give you a number early November of how it's looking and where it is standing. He will go through a full reconciliation of the general ledger prior to the finishing the audit which will be the final numbers but he feels that if invoices to Treasury are turned in a timely then we could close out that timeline by mid-November. He can give a great solid number where you stand as a 22 on actual extended, and typically won't look before.

**Mr. McIntosh** said with boards, he designs a packets with your financials if you want to see that registered details of that month's activities. He said they can show you the period activity change from the month, and all the details that make up those numbers that are tied to the number you're seeing expended in the model. This includes the year-to-day total and where you stand to your budget. He said they are now working on a project currently through procurement in accounting through all those areas that provide that information. It will also provide a column showing you your encumbrances so you know where you stand and the money you have available at all times because encumbrances represent the dollars that you have not got a check for but that we are obligated encouraged in the future. He said his goal is to seek the information that you're requesting, put it in a monthly packet, and provide that to this board or this council on a monthly basis.

**Council Redcorn** said a question for our Chief Of Staff is, this a budget as mineral council has worked up for the congress approved amount of money and then what you presented to us is approved for 2023 budget for the million? **Chief of Staff Lacey Reynolds** said yes, this is what our accountant sent to us. She said the template, she sent out can all be changed and what's in your packet was the



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2022 budget. That's what we used. **Council Redcorn** asked to make to 2023. **Chief of Staff Lacey Reynolds** said that she recommends we just move the numbers and modify it. **Council Redcorn** asked move the numbers and say this is the 2023 budget. **Chief of Staff Lacey Reynolds** said you can modify it later anytime. You have that right to do so. **Council Redcorn** said Chairman, I make a motion we approve the nation budgets for \$1,257,722 and then we approve the 2022 to move it into the million dollar c395.

- ii. **Resolution:** Chairman, I make a motion we approve the nation budgets for \$1,257,722 and then we approve the 2022 to move it into the million dollar c395.

b. **Discussion:**

**Council Revard** said that he doesn't want to rely on the 2022 numbers that has not been finalized to project for 2023 that we know are wrong. He said he'll be voting no unless we want to break this out and do it separately as in to do the indirect costs with the space cost and then address the million dollar c395 budget separately because he could vote for one yes for one and no for another.

**Council Redcorn** asks when the council will approve the budget. He said it is late and Congress is waiting. He believes we need to start getting on time here except we should have had all this done in September 30<sup>th</sup> and we're still talking like we were half a year ago with Minerals four. He said he'd be willing to pull out the c395 and we approve this budget with the legal fees, two projects on here, and indirect costs. He said he can make a modification that we remove the c395 and just to prove this one for vote right now.

**Council Red Eagle** asks Mr. McIntosh if he can provide information by the 24<sup>th</sup> and report back to us exactly where we're at. **Mr. McIntosh** said he can provide where you stand as of that time in a projection of what potentially where you may end up being that he has a pretty solid set of numbers for 12 months. He said he can do an analysis of it and validate that it looks before he presents like he does with all the information. **Council Red Eagle** said his suggestion to Chairman is that we would leave it with Mr. McIntosh.

Motion by **Council Redcorn**

Councilmember Bighorse – n

Councilmember Currey – a

Councilmember Red Eagle – y

Councilmember Shackelford – n

Motion **FAILED** YES: 3 NO: 4

Second by **Chairman Waller**

Second Chairman Cheshewalla – n

Councilmember Redcorn – y

Councilmember Revard – n

Chairman Waller – y

ABSTAIN: 0 ABSENT: 1



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- i. **Resolution:** To ask the Treasury of the Osage Nation to give us a direct accounting by his timeline. Whatever timeline he goes by as quick as possible. Plus or minus all that exactly what we spent.

**Discussion:**

**Council Redcorn** said he knows at some point, he's assuming that we don't respond, we're going to lose all our money pre-appropriated somewhere else. He said he just wanted to avoid that hurdle. **Mr. McIntosh** said there is that possibility.

**Council Shackelford** said with the motion that we're voting on today, by the time you provide that information of Mr. Red Eagle's motion as recommended that you bring back to us. He asked Mr. McIntosh if it will it still be sufficient funds to operate our staff and everything like that. **Mr. McIntosh** said that he will have to educate himself and that he had conversations with the legal counsel on language that's attached to appropriations and bills. He said he needs to pull that legislation, review it, and the he can make a determination there.

**Council Revard** said he doesn't know that it's really necessary that he seconded it because this is information that he wants. He asks if this is something he's going to give us anyway without a motion, a formal resolution. **Mr. McIntosh** said he feels like it's as he's stated in his department. He said Accounting's purpose is to provide information, reliable information for people making decisions to be able to make decisions so he doesn't feel he needs that. **Council Revard** said that he doesn't need to make a motion for him to do his job if it's already a job he's going to do.

**Council Shackelford** asked Mr. McIntosh when he relays that information back to them if that is November 24<sup>th</sup>. **Mr. McIntosh** said he can run a projection and pull numbers and provide a projection. He said the numbers will be more final because typically you look at a trend which are reliable as long as all invoices are up-to-date and current. He said in general experience, the hard number can be provided towards the end of November early December because of late incoming invoices. He said he should be able to finalize after every invoice. He said as far as projecting and analyzing, he thinks he can give a fair projection of where currently and potentially what that additional expense is going to look like.

**Council Shackelford** asks if it is possible to have a figure to carry us through, so no one gets sent home until he gets the information from us. He said then once we've received those numbers as to the satisfaction of the members that's what we see those details and then at that point, then go ahead and fund the remaining of the fiscal year. **Mr. McIntosh** said that the federal government does a continuing resolution to operate for 90 days to see the budget gets passed. He said



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what that is, is we're copying the budget from previous year to operate by that budget for the first quarter so that it gives you the period of time.

Motion by **Council Red Eagle**

Councilmember Bighorse – y

Councilmember Currey – a

Councilmember Red Eagle – n

Councilmember Shackelford – y

Motion **PASSED** YES: 5

NO: 2

ABSTAIN: 0

ABSENT: 1

Second by **Council Revard**

Second Chairman Cheshewalla – y

Councilmember Redcorn – y

Councilmember Revard – y

Chairman Waller – n

**Council Redcorn** says that he makes a motion that we roll with the projected budget as presented by our Chief of Staff until we have this meeting. We roll with this as a temporary what Lacey submitted to us as our independent budget projection until we have our meeting or decide otherwise.

- ii. **Resolution:** Roll temporarily with Chief of Staff's projected budget 2023 until determined otherwise.

Motion by **Council Redcorn**

Councilmember Bighorse – y

Councilmember Currey – a

Councilmember Red Eagle – y

Councilmember Shackelford – y

Motion **PASSED** YES: 7

NO: 0

ABSTAIN: 0

ABSENT: 1

Second by **Council Shackelford**

Second Chairman Cheshewalla – y

Councilmember Redcorn – y

Councilmember Revard – y

Chairman Waller – y

6. **Motion:** Adjourn

Motion by **Council Redcorn**

Councilmember Bighorse – y

Councilmember Currey – a

Councilmember Red Eagle – y

Councilmember Shackelford – y

Motion **PASSED** YES: 7

NO: 0

ABSTAIN: 0

ABSENT: 1

**Time:** 1:36pm

Second by **Council Shackelford**

Second Chairman Cheshewalla – y

Councilman Redcorn – y

Councilmember Revard – y

Chairman Waller – n

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*Approved by the Fifth Osage Mineral Council on December 8, 2022.*

Everett Waller, Chairman

Executive Administrative Assistant