

**OSAGE MINERALS COUNCIL  
REGULAR MEETING  
OSAGE COUNCIL CHAMBERS  
PAWHUSKA, OKLAHOMA  
JULY 11, 2014  
MINUTES**

**CALL TO ORDER**

Chairman Everett Waller called the meeting of the Osage Minerals Council to order at 10:00 A.M.

**OPENING PRAYER**

Councilman Talee Redcorn gave the opening prayer and read the names of those Osages who have passed on.

**ROLL CALL**

Minerals Council Secretary Fawn Cheshewalla called the roll. 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.

Visitors to the meeting were Jinx Geurin, Gene Bowline, Charles Wickstrom, Linda Heskett, Sid Anderson, Julie Wilson, Patricia S. Bright, Charles Pratt, Ray McClain, Richard Barth, Marlene McClain, Jack Elsey, Don Williams, Florence Bigheart Trantum, Mary Johnson, Nona Roach, Barry Sparks, Jamie Sicking and Maria Whitehorn.

**MINERALS MATTERS** – Charles Hurlburt, Supervisory Petroleum Engineer

CHARLES HURLBURT: Thank you, Council. Thank you, Chairman, and I want to congratulate all of you again. I think I've done it four or five times. You're going to get quite a few more.

CHAIRMAN WALLER: That's fine with us.

CHARLES HURLBURT: Normally, what I do, is tell you what we've been doing for the last month or so and ask for questions, if there's a special project or something, I'll bring it up. Today, I'm going to do that, but I'm also going to do a little bit more, just because we have a bunch of new people on the Council.

The latest weekly report we've got shows that we did for the week ending July 4. We mailed 5 drilling permits; 1 workover permit; completed 2 completion reports; and we can talk about why that number is that low. It's kind of hard, sometimes. Dale puts it down as plotted wells, but these are new permits coming in. We had 6 that week; he had about 10 landowner meetings; I had about the same, so, about 20; and the rest of the stuff is either zero or insignificant. I also wanted to give you an idea of what our workload has been, this year. Year-to-date, and today is the date, we have had 375 total permits. That is right at one-half of the total we had in our busiest year, which is, I think, 2009 or 2010. It does reflect that we are not getting as many well drilling permits in, as we once did. That's partially a situation having to do with the economy, but a lot of it is just where we are in some of the concessions. You know, they were having to drill a bunch of wells. Now, at least some of them completed that. One thing that we have traditionally done, every time we had a new Council, and I don't know how formal it has been in the past, but I'm going to make the offer today. Any Councilmember that wants us to explain how we do things, or put on some training, whatever you want to call it, please let me know, and we can get something together in a couple of days. We'd love to have every member of the Council that wants to be there, like how we go through a drilling permit or a lease sale or assignments, when we get ready to terminate a lease, and steps we have to take, any sort of new problems that we're coming up with, and I've been here long enough to know that

you never solve them. You fix that one and the next one comes up. We are having some big changes in our organization, due to our new Branch of Enforcement and Compliance, which exists on paper, and we may have people coming soon. They're going to be taking some of the load off of our field section, which I think some of you know is pretty high. That will make some changes in how we do things, which means you're going to be getting phone calls or people stopping you in the grocery store saying, 'What the heck happened to you,' so, we're going to let you know as much as we can, before it happens so you can, at least, say, 'I don't know what's going on, talk to Charles', or 'Yes, I can tell you exactly why that's going on'. But once again, this is an offer I've heard, I didn't make it, but I've heard it, every new Council from the time I started in 1983. So, feel free to ask, because we would love to talk to you all about it. There are things coming up all the time that I'm going to try and tell you when we're about to be hit with a pie in the face, but sometimes, we don't know until it happens. The more you know, the better off you are. And with that, I have no more report, unless someone has a question.

CHAIRMAN WALLER: I just have one. I'd like your telephone number.

Mr. Hurlburt gave his telephone number. Several Councilmembers had questions for him; Councilman Redcorn received information regarding lease access rules. The Burbank field production had been reported to be up about 10% from the approximately 1,200 barrels per day it had been producing when CO<sub>2</sub> injection began. Mr. Hurlburt also said that Sullivan & Company was still drilling, but he had spoken with them in about six months.

#### **ADMINISTRATIVE MATTERS – Jeannine Hale, Osage Agency Deputy Superintendent**

Deputy Superintendent Jeannine Hale represented Superintendent Phillips today. Several of the Council had questions for her. She explained that the former BIA budget for the Osage Agency of \$1.5 million had increased to a current amount of approximately \$4 million. Filling former open positions as well as hiring for many new positions recently created is underway. She said that there are currently 11 field men, including the supervisor, and that four of them are Osages.

#### **OPEN SESSION**

##### **Iron Hawk Energy Introductions – Charles Wickstrom with Sid L. Anderson**

Mr. Wickstrom said that he is interested in continuing his relationship for the Osage Mineral Estate, and would like to discuss some items in Executive Session. When Mr. Anderson was introduced, Chairman Waller welcomed him to the Osage.

Recess – 10:47 A.M.

**Motion to go into Executive Session by Councilman Yates, Second by Councilman Crum at 10:52 A.M.**

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

**EXECUTIVE SESSION – 10:52 A.M.**

\* \* \* \* \*

**1:00 P.M. – Motion to come out of Executive Session by Councilman Crum, Second by Councilwoman Red Corn.**



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

## **OLD BUSINESS**

### **Election Summary: Faren Anderson**

*FAREN ANDERSON: (Reading her report into the minutes) I began working in February, and established the temporary OMC Election Office, set up the post office boxes and delivered a notice to the BIA requesting the list of eligible voters.*

*"In March, the temporary OMC Election office was staffed. Candidate forms, absentee ballot request forms and the Election Notice mail out were created and available. Petitions were available for pickup. Filing opened up on March 19<sup>th</sup> and closed on April 7<sup>th</sup> at 5 p.m. An election board was established. OMC passed a resolution approving the Election Notice and the members of the Election Board. The Election Notice was mailed out prior to the deadline of March 28<sup>th</sup> as established in the Rules. Office staff worked on the formatting of the list of eligible voters so that the list could be available to the OMC candidates and the correct information sent to True Ballot in the appropriate format.*

*"BIA provided a list of 4,607 eligible voters. A total of 4 additional voters were added to the list after verification by the BIA. (1 voter was added in May and 3 voters were added at the poll site during Election Day.) 1 complaint was filed on Election day regarding the absence of her name and voting weight being on the Eligible voter list.*

*"NOTE: The Rules currently do not require ID or signature for Absentee Ballot Requests. Other than contacting the BIA for every occurrence, there currently isn't a way for the OMC Election office to verify absentee ballot requests, if the address provided by the BIA doesn't match the address on the written request form.*

*"On April 24<sup>th</sup>, per an OMC Resolution, a list was made to all candidates containing the name and addresses of all eligible voters that had requested in writing an absentee ballot.*

*"On May 5<sup>th</sup>, up to this date, a total of 621 absentee ballot request forms had been processed in the OMC Election office.*

*"Between May 4<sup>th</sup> and Election day, a total of 740 absentee ballots were sent to eligible voters by TrueBallot.*

*"NOTE: One of the greatest concerns expressed by eligible voters is that they would like to have the capability of becoming a PERMANENT absentee ballot voter. The OMC Election Office fielded over 40 calls from eligible voters asking if they were already on the permanent list of absentee voters. Our office informed each caller that the OMC currently did not have a permanent absentee voter list setup. Several callers voiced that they would like the OMC to consider establishing a permanent absentee voters list. Also note, that it was confusing this year for eligible voters, as the ON General Election just recently established a permanent absentee voters list for the ON general election and many of the OMC eligible voters thought they were already going to receive an absentee ballot, because they had filled out the permanent absentee voter form for the ON General Election.*

*"945 Total Ballots cast; 941 Valid Ballots; 4 Not Valid Ballots*

*"A total of 429 voters cast valid absentee ballots. (1 voter sent ballot credentials but an empty ballot envelope, indicating an abstention.) 45 voters cast absentee ballots that were NOT VALID as they were NOT SIGNED, as required by the Rules.*

517 voters cast ballots in person on Election Day.

*"The U.S. Post Office put almost 20 OMC absentee ballot request forms into the ON General Election ballot box and therefore, we did not receive these requests for an absentee ballot until Election day, when they were delivered to us by the ON General Election staff.*

*"28 ballots were received in USPS box AFTER the deadline. 1 ballot received in office (wrong location) after deadline.*

*"On Election Day, after the ballots were registered, TrueBallot opened the envelopes, optically imaged the ballots and processed them to tabulate the data. Rules were applied to the data so as to remove void data from the tally. An audit was performed on the computer's count, and the ballot count was corrected as needed.*

*"All ballots were placed in the sealed envelope bags, sealed and delivered to an ONPD office on Election day around 11:30 pm. ONPD then delivered the information to the ON General Election office and stored the documents in the monitored, locked safe room where the information is currently housed.*

*"Per the rules, ballots are to be destroyed 180 days after the Election. Ballots should be destroyed on or after December 1, 2014.*

*"The time to contest the election ended on June 9<sup>th</sup> at noon, with no challenges filed with the supervisor.*

*"Expenses: \$36,678.88; Income: \$910.00; TrueBallot: \$14,746.97.*

**"FOR CONSIDERATION:**

- *Change the petition form to include the Petitioners address and the information on the front page. Enable the list to include two lines for each witness so that they can provide name and address.*
- *Establish a fee chart for the eligible voter list that is available to candidates. The 2014 and 2010 elections charged \$50 for the list. The Rules do not establish a fee amount.*

**"NOTES FOR NEXT ELECTION:**

- *In the letter to BIA requesting the eligible voter list, be **VERY** specific on how you want the information provided to you. List out in the request what software program the list should be provided in and how you would like the information to be formatted. For example, columns separating out by last name, first name, address, state, ZIP.*
- *Election office should not play a role in the campsites. Nations grounds = Nations Department responsibility.*
- *Not sure we need a 1-800# in future elections.*
- *Need two USPS boxes, one for ballot requests and one for only the ballots.*
- *Established an enforcement authority regarding the use of the eligible voters list given to candidates.*

**"POSITIVE:**

*Sharing an office with the ON General Election.*

- *Voters were able to pick up information in one location for both elections.*
- *Phone calls could easily be transferred or answered between the two election offices.*
- *Personnel from both election offices were knowledgeable about the current information of the other office just by being in the same location and listening to the general election information provided to eligible voters.*
- *Deadlines could coincide between the two elections.*
- *Election day requests to ON offices were sent once on behalf of both offices.*



- Election day requests to ON offices were sent once on behalf of both offices, instead of twice. For example, ONPD, camp sites, Maintenance requests, meal requests, etc.

*"It was very helpful to eligible voters that we included an absentee ballot request form in with the Election Notice mail out. All eligible voters get an election notice mailed to them, all eligible voters would then have an absentee ballot request form provided to them, also. Only a few requests were handwritten, most requests were on the provided form making it much easier to process and keep track of, in the office."*

The report was accepted by the Council with applause.

## **NEW BUSINESS**

### **Pipeline and Energy Expo: Councilman Yates**

Councilman Yates said that Rick Torix contacted him by email that there is an Energy and Pipeline Expo August 25 – 27, mostly oil and gas pipeline. He was wanting the Council to attend and help promote the Oil and Gas Summit in September or get an exhibit for \$900 and put a booth in to promote it. Councilman Crum said that it was a worthwhile thing for the Summit to do, and wanted to pass it along to the Summit Committee and let them decide which one. Councilman Yates, who is on that Committee said the next Summit Committee meeting will be held at the Cultural Center from 5:00 – 7:30 p.m., Thursday, July 24<sup>th</sup>. All Councilmembers are welcome to attend.

### **Oil & Gas Summit: Final Brochure**

Councilman Yates said that there was a brochure in the Council's book for the 13<sup>th</sup> Osage Oil & Gas Summit and Lease Sale, September 24<sup>th</sup> and 25<sup>th</sup> at the Hyatt Regency. A website is now up at <http://www.osagesummit.com>. Lease sale is on September 24 at 10:30 a.m.

### **Barry L. Sparks: Lease purchase from Chaparral (Herb Lease/Chase Lease)**

Producer Barry Sparks requested help for a problem he was having concerning purchasing several low producing leases, and his intention to produce them with only one tank battery. The Council advised him where they thought he should start to resolve this issue.

### **Personnel: Councilwoman Boone**

Councilwoman Boone introduced her personal attorney, Mr. Jack Elsey, who told the Council why he didn't think the Council should sanction her for alleged abusive harassment of Council's staff members. Councilwoman Boone said that she would introduce a resolution next Wednesday to rescind the resolution sanctioning her from office privileges.

### **Travel: Councilwoman Boone**

Councilwoman Boone requested that the Council consider approval of an expense report she had turned in last spring that was deemed incorrect. No action was taken today.

## COMMITTEE REPORTS

Chairman Waller mentioned the Committee members of each committee that were voted in, on July 9<sup>th</sup>'s special meeting.

### Policies & Procedures:

Councilwoman Boone asked if Councilman Crum wanted to call in on speakerphone for the meeting. He mentioned about having a policy that his suggestion for the policies and procedures will be not doing them like they did in the past, that they get a global set of policies and procedures in place having to do with all aspects of our business. Right now, they have the right to make their own rules, under the Constitution. Councilwoman Erwin said that the Council needs to set goals. Councilman Crum agreed, that the Council should set a new course.

### Scholarship:

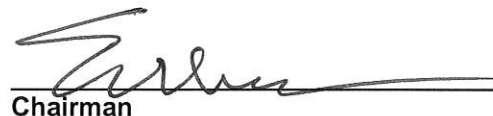
The Council agreed that a resolution should be introduced and vote on next Wednesday to continue funding the scholarship program.

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

**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.**

Adjournment – 2:07 p.m.

Approved:

  
Executive Administrative Assistant  
Chairman