

**OSAGE MINERALS COUNCIL
REGULAR MEETING
OSAGE COUNCIL CHAMBERS
PAWHUSKA, OKLAHOMA
JULY 16, 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.

ROLL CALL

Minerals Council Secretary Dena Cosby 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, Ray McClain, Marlene McClain, Patricia Spurrier Bright, Tom Lackey, Jamie Smith, Florence Bigheart Trantum, Joe Trumbly, Richard Barth, Julia Roe, Jamie Sicking, Leslie Young, Nona Roach, Linda Heskett, Julie Wilson, Charles Pratt, Barry Sparks, Mary Johnson, Shane Matson, Maria W. Kitchorn and Janet T. Crow

TRIBAL ACCOUNTANT REPORTS

C-395: Leslie Young

LESLIE YOUNG, ACCOUNTANT: As of this morning, we have \$144,374.00 remaining in our bank account. In June, we spent, year-to-date, a total of \$521,129.73. July, we asked for an additional \$250,000 drawdown, which brings us to a total of \$750,000. I do anticipate calculating what we have remaining from last year, and requesting the remainder of the \$1 Million allotted before the year is out. Our legal fees were a little bit more than anticipated through the year.

CHAIRMAN WALLER: And, when do you want that drawdown?

LESLIE YOUNG, ACCOUNTANT: I will be a little bit closer to the end of the quarter where we're not going two out of one.

CHAIRMAN WALLER: Year into the next?

LESLIE YOUNG, ACCOUNTANT: Yeah.

CHAIRMAN WALLER: Yes. We'll take care of that. We think its timing is right, and is there anything else to report? Questions, please.

COUNCILWOMAN ERWIN: Where is this checking account? What bank?

LESLIE YOUNG, ACCOUNTANT: It is at First National Bank in Pawhuska, where we have received the new signature cards with the four signature authorities of Council. That has been turned back in.

CHAIRMAN WALLER: Any more questions? Yes, Councilwoman.

COUNCILWOMAN BOONE: I don't find her report down here.

CHAIRMAN WALLER: I don't, either.

LESLIE YOUNG, ACCOUNTANT: I emailed Monday to both Fawn and Gina.

COUNCILWOMAN BOONE: I stand corrected. It's underneath.

LESLIE YOUNG, ACCOUNTANT: Oh.

COUNCILWOMAN ERWIN: The signature cards are of the Osage Minerals Council?

LESLIE YOUNG, ACCOUNTANT: Yes, ma'am. The four appointed by resolution.

COUNCILWOMAN ERWIN: OK, and the Treasurer has been taken off of this one.

LESLIE YOUNG, ACCOUNTANT: I don't believe she signs on this one.

COUNCILWOMAN ERWIN: I did not see it.

COUNCILWOMAN ERWIN: OK.

CHAIRMAN WALLER: Do you have any other questions? Yes.

COUNCILMAN REDCORN: Is it possible to get a budget for our benefit?

LESLIE YOUNG, ACCOUNTANT: Yes. I can send a copy of that.

COUNCILMAN REDCORN: OK.

LESLIE YOUNG, ACCOUNTANT: OK. For the 2014?

COUNCILMAN REDCORN: Yes, and I'm assuming that that Budget Committee is going to be meeting, Mr. Chairman?

CHAIRMAN WALLER: Yes.

LESLIE YOUNG, ACCOUNTANT: Yes, that was going to be one of my questions that we should probably start, in order to have it in place by the 1st of October.

CHAIRMAN WALLER: We'll get through today, then we'll start setting up a schedule so that I'd like to get started on that. Is there anything that we can help you with?

LESLIE YOUNG, ACCOUNTANT: Not at this time. Like I said, the budget is, usually, the main concern in July to make sure we can finally get it through the Council. We want to get it approved by September, so we're all good to go October 1.

CHAIRMAN WALLER: Do we have any more questions? Thank you, Leslie, so much, for everything.

S-510: Julia Roe

CHAIRMAN WALLER: Tribal Accounting Report, Julia Roe. This is your S-510.

JULIA ROE, ACCOUNTANT: Good morning. There was no activity, or very little activity in June. There was some interest of \$109.43. The account First National Bank has \$137,540.89, and the Cedars Account, which is Citizens Bank is \$232,761.09.

COUNCILWOMAN ERWIN: Could you repeat that, the Cedars?

JULIA ROE, ACCOUNTANT: Cedars. It's \$232,761.09.

COUNCILWOMAN ERWIN: And where did this money come from?

JULIA ROE, ACCOUNTANT: Cedars at Citizens Bank?

COUNCILWOMAN ERWIN: On the S-510.

JULIA ROE, ACCOUNTANT: The checking account at First National Bank.

COUNCILWOMAN ERWIN: And is this in, at Citizens Bank, is this in a CD?

JULIA ROE, ACCOUNTANT: It's a CD-type. It's called Cedars, because they have to hold it all in one place. They can split it up to get more interest.

COUNCILWOMAN ERWIN: Alright.

CHAIRMAN WALLER: And we only have one there, is that correct?

JULIA ROE, ACCOUNTANT: Mm-hmm.

CHAIRMAN WALLER: Do we have any more questions? Is there anything else you need to add, Julia?

JULIA ROE, ACCOUNTANT: No.

CHAIRMAN WALLER: Thank you so much.

JULIA ROE, ACCOUNTANT: Thank you.

AUDITOR REPORT – Jim Swan

JIM SWAN: Good morning. We'll start with our Osage Information Sheet in June. In June, we collected \$7,531,118.20. Our average price per barrel of oil in May, \$100.28/bbl. Our average highest posted price in June, \$101.69/bbl. Today's price hasn't been posted, yet. The average daily barrel of oil produced in May, 13,481 barrels. In May, we had gross barrels of 418,084 barrels. Royalty barrels, 67,357. Our Royalty Barrels vs. Gross Barrels is 16.11%. Our total oil royalty collected in June \$6,754,600. Gas royalties \$628,520. Tank bottoms, \$1,972, which gives us a total oil and gas royalty collected in June \$7,385,092, and our average bonus per barrel of oil in May was \$1.96/bbl.

CHAIRMAN WALLER: \$1.96?

JIM SWAN: \$1.96.

CHAIRMAN WALLER: Any questions? Yes, sir.

COUNCILMAN REDCORN: What was the daily production of oil...

JIM SWAN: 13,481.

COUNCILMAN REDCORN: Have you been tracking this long? I know when we were on the 1st Minerals Council, it seemed like.

JIM SWAN: Yes, we have a chart before we tracked it – I forget how far back – and it's a steady upward movement.

COUNCILMAN REDCORN: Steady upward movement?

JIM SWAN: Yes.

COUNCILMAN REDCORN: Since when have we seen an upward trend?

JIM SWAN: In 2001.

COUNCILMAN REDCORN: So, since 2001, we've seen an upward trend.

JIM SWAN: Yes.

COUNCILMAN REDCORN: In production?

CHAIRMAN WALLER: The only time I think we've ever seen any difference is over the weather, the ice storms, things like that.

JIM SWAN: Yeah, that'd be just one... We were getting some of what we were doing, the horizontals outside one that would settle in. So you would see where we would have in the 14,000 barrels for a month or so, but that was from when we'd get a new horizontal on line. It'd be some stair stepping, but the general line is still upward, is what I point out that we were in the 14,000 range on several different months that had to do with the new horizontals on a regular basis. Last year, 2013, we went over 5 million for the year. Gross barrels. In fact, there were 525,578 barrels.

COUNCILMAN REDCORN: For the year?

JIM SWAN: Yes.

CHAIRMAN WALLER: Do we have any more questions? Thank you.

JIM SWAN: Thank you.

MINERALS MATTERS – Charles Hurlburt, Supervisory Petroleum Engineer - BIA

CHARLES HURLBURT: Thank you, Mr. Waller, and also the Council. Friday, I was asked to provide an update on several projects or companies, and I will do so. I have to apologize about production. I'm having some problems getting production that makes sense to me, and I've asked the Accounting people to help me, and they will, but they haven't yet. So, I don't have good production numbers any better than I did, Friday. I'll start with CEP. This is a coal-bed methane concession. For the Fiscal Year that will end in September, so, the nine months past, I picked an arbitrary date, but that gives you a pretty good idea, CEP, in that month, had taken down one single lease and they've applied for five permits to drill. This is probably the lowest they've had in a long time, that it's very consistent with the fact that gas prices aren't as high as we'd like, and it's hard to justify doing a bunch to work on coal-bed methane, when they don't get a good return out of it.

Sullivan also has a concession. This is out in the West more for oil. In that same timeframe, they've taken down four leases, but they've applied to drill 12 wells. Some of you will remember they came in during the last Council and wanted an extension or some adjustment to their agreement, and never could come to an agreement with the Tribe. They're still active, maybe not as active as they would have been, but they're still doing, taking leases and drilling wells.

The last one, Chaparral operation, particularly in the north Burbank unit, and I want to make sure to tell everybody this is not everything Chaparral is doing. This is just in the north Burbank unit. Since there are no available leases, they put down zero. But they have applied for 16 permits to drill. I think I pointed out, Friday, before they started their CO₂ injection, they had gone through and basically fixed every well that had a problem. In the unit, they've spent a lot of money, but they also made some pretty good production. This is probably going to be attributable to the CO₂ flood that it was before they put CO₂ in the ground, and since I used to work out there, went back in the dawn of time, and I was there when Phillips started the Palmer flood. This is exactly what we found then, when we got ready to get everything in good condition to operate, our production went up. Just a little tender loving care, sometimes, is all it takes. Hopefully, we'll be able to give you how much increase we've seen. Anecdotally, about 10%. That's all I'm going to say about that is that I've heard that's all it was, but I don't have the numbers, yet.

Another question that came up, Friday, has to do with the Highway 60 project, between here and Bartlesville, and I work a little on it, but I want to give credit where it's due other people in the office, particularly. My boss, Jeanine took the lead. We do have a permit application from Sherwood Construction, they're the contractors, and we are working on that, right now. There are some issues between what they're doing and our normal sandy soil permit form. Specifically, you asked us for a per ton price, and sandy soil permits usually have it by cubic yards. So, we're going to have to do some conversions, and I have a feeling we may have some people in Sherwood Construction get a little worried about the price, because we were guessing, but it's a lot of money. It's a big project moving a lot of material. At 52 cents a ton, it could be more than a few bucks. But we're working on that, and we will continue to try to get that moving forward. I know that there were some issues that they had with sandy soil issues, NEPA, beetle, cultural resources, all those have to be done, and usually, we find out they want to do it about the time they finish construction. You know, they're in a big hurry. So, that could be a problem, but we'll see what happens on that.

I've got some other things that will come up later in the agenda, but they are specifically to address some of the agenda items, so I'll be quiet about those, until they come up, and that concludes my report, unless somebody has a question for me.

CHAIRMAN WALLER: Questions, Council? Please.

COUNCILMAN REDCORN: Do you have proctors on these certain samples of material that have been moved, when you're trying to convert these?

CHARLES HURLBURT: Well, we don't, yet. I had an idea of what it should be, but it's not much more than I have an idea. Again, I think we talked a little bit about this on Friday. Usually, when we get paid by the ton, it's because it's actually, physically weighing the material. From past experience, we've done some other road projects. Probably, what will happen is they'll give us the as-built grinds and say this is how much we move, and you can do the math on that. We know how high the road is, and how wide it is, and how much material – We can figure out how many cubic yards. That has been, traditionally, the way we get paid on highway projects. But we can make it work, either way. I mean, we just have to come up and say our conversation factor for this is X cubic yards = Y tons, and go from there.

COUNCILMAN REDCORN: If we could, request that they get a proctor that would do a density.

CHAIRMAN WALLER: I'd like to see that myself.

CHARLES HURLBURT: I will see what I can do on that. Again, we had a little trouble getting the guy from the Highway Department. Of course, I wasn't any help, as I wasn't here yesterday, but we'll do everything we can to get a number that is real that is not a convention or arbitrary. This is the number we use.

CHAIRMAN WALLER: I think that will be wonderful you don't bring that sized mass out there with crushers without that going through a lot of yards.

CHARLES HURLBURT: Yeah.

CHAIRMAN WALLER: And, we can always stop the project if we need to. Please.

COUNCILMAN CRUM: I had a question on when you first talked to us about it, there was a question on whether they owed us anything. Have we got past that hurdle, yet, or are they waiting to hear the number that you think they owe, before they decide whether or not they're going to do that?

CHARLES HURLBURT: This is a two-part answer. #1, the state's not doing it, it's the contractor, and #2, we have no idea whether they are going to be, well, I think they're going to be shocked, because Everett said this is a big project. There's going to be a lot of material being moved. *(The remaining part of this discussion would be taken up in Executive)*

CHAIRMAN WALLER: Please.

COUNCILWOMAN RED CORN: Don't we have to have a resolution for that, if that's what we want?

CHAIRMAN WALLER: They have to take care of the permitting element of what these folks are using, first.

COUNCILWOMAN RED CORN: OK.

CHAIRMAN WALLER: Then when that comes back, then we'll do the resolution.

COUNCILWOMAN RED CORN: OK.

CHARLES HURLBURT: When this permitting was applied for under our general sandy soil resolution which you all provided us, I guess every year since I've been here, and just says for sandy soil permits this is the royalty rate. I'm pretty sure we'll have to get back to you on this one, because it doesn't seem like it's jiving with what you wanted on a per-ton basis. Again, this is a cubic yard basis and we'll have to get with you and say, how do you want to work this out. Make sure that you're happy before we go and make them unhappy.

COUNCILWOMAN RED CORN: We will be happy.

CHAIRMAN WALLER: Yes, ma'am. Yes, sir.

COUNCILMAN REDCORN: I would reiterate that we could get a density out of a proctor, we can make that conversion. That is a certainty.

CHARLES HURLBURT: I will do my best.

CHAIRMAN WALLER: Well, they had to have to do a compaction rate, and I think they just got quite a good deal on those wells beforehand. Thank you. Is there any more to report?

CHARLES HURLBURT: Unless someone else has a question, I'm finished.

CHAIRMAN WALLER: But you are going to go into Executive...

CHARLES HURLBURT: Got some other things later.

CHAIRMAN WALLER: We'll bring you in and bring it up.

ADMINISTRATIVE MATTERS – Jeanine Hale, Osage Agency Deputy Superintendent

SUPT: I told Jeanine to go right ahead. She can take care of it, since she was here Friday. I do apologize for not being here Friday.

CHAIRMAN WALLER: Thank you, dear.

DEPUTY SUPERINTENDENT JEANINE HALE: The first thing I wanted to report on that actually was Robin's idea to follow up on the issue on the addresses and making sure we have the correct addresses. Robin had a really good idea that maybe we could put something in the newsletter asking folks to contact us. We are comparing them, by the way, to what OST has on file. But, sometimes, it's still not the correct address. So, if we could write something up and put it in the newsletter asking them to contact us with updated information, that would be great, too. I thought that was a great idea.

The other thing that we've been working on, we'd like to offer you is on September 9, we would like to provide an opportunity to take a tour and hear a couple of presentations by our staff about our leasing process, our permitting process and perhaps a tour I believe Dale Jesse had been working on arrangements with CEP to take a tour on one of their sites a few miles west of Hominy and I think he's already got that pretty well set. But, he was waiting for an email back and we thought we'd extend an offer to the Minerals Council and the Chief's office to do that, if those who would like to do that, and if you have any special requests about what kind of information you'd like to hear from us, we're certainly open to hearing that.

Charles reported on the ODOT. We do have a contact with the State, though I did talk to Greg Massey. He's the person we negotiated with last time on those wells.

CHAIRMAN WALLER: He worked with Don Powers.

DEPUTY SUPERINTENDENT JEANINE HALE: I'm not sure who he works for, but he's given me other names of folks who would be responsible, in addition to the contractor who's out there, Sherwood. So, we'll pursue it in every way we have to go.

CHAIRMAN WALLER: Thank you, so much.

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

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 – 10:23 A.M.

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11:47 A.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-YES, EVERETT WALLER-YES, ANDREW YATES-YES, CYNTHIA BOONE-YES, JOSEPH CHESHEWALLA-YES.

There were two legals coming out of Executive Session, SE/4, 5-21-10 and SW/4, 24-22-11. Councilman Crum said that because of a BIA error under Chaparral's control, they were given a lease that was actually held by production, and they paid money for it, already. They wish to switch that over to a different lease that they already hold, but they wish to have some time on it.

Motion for Resolution to swap those two leases by Councilman Crum, second by Councilman Cheshewalla.

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

OLD BUSINESS

Scholarship Award Announcements:

COUNCILMAN CRUM: I don't think we've had a real Committee meeting to decide which ones they were. Yet, Talee has yet to look at the applications. So I would suggest that we wait, but I think, first off, we should probably have an up or down vote, if it pleases the Chair, on whether we're going to continue the scholarships. This is...

CHAIRMAN WALLER: Make it so, please.

COUNCILMAN CRUM: So, I would move we do continue the Wah-Tiah-Kah Scholarship under the same rules what we've used in the past and continue that on. I would make that motion to continue that.

CHAIRMAN WALLER: I need a second, please.

COUNCILMAN YATES: I'll second that.

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

COUNCILWOMAN RED CORN: Mr. Waller, may I say something about the Committees, please, and I think it falls under 'Old Business'?

CHAIRMAN WALLER: Yes.

COUNCILWOMAN RED CORN: I probably should have brought it up, before we voted. But those committees that we were given at the last meeting were incorrect, and I went back and checked those, and I made a correction, and I listened to that tape five times to make sure I got it right.

CHAIRMAN WALLER: Yes, ma'am.

COUNCILWOMAN RED CORN: And I had my staff double check it, and this is what we come up with, and I've made copies for everyone, if you'd like to pass these out, Dena...

CHAIRMAN WALLER: Please do.

COUNCILWOMAN RED CORN: ...to the Council to see if they agree with this.

COUNCILWOMAN ERWIN: Actually, Kathryn, I was on the budget, even though I wasn't a signator, I was on the budget.

COUNCILWOMAN RED CORN: OK. It doesn't say that, though, when you listen to the tape.

COUNCILWOMAN ERWIN: That's what I asked him, and that's what I was told. I don't know. If I hadn't had my records pilfered out of my notebook, maybe I'd have something to show.

COUNCILWOMAN RED CORN: All you can do, you can go to the computer and you can listen to it, and let's just check this over, and make sure it's right.

CHAIRMAN WALLER: I would have to make that correction, because it'd actually show you what it said. I have two sets to approve, and that's what I started meeting with. We'd like to get those corrected like Councilwoman Red Corn: said off the minutes really quick.

COUNCILWOMAN RED CORN: Because it was all jumbled up at the end, and so, I had someone else listen to it, too, to make sure that this was correct, and I believe this is the correct one.

COUNCILMAN REDCORN: I'd like to propose that I be removed from the Scholarship Committee.

CHAIRMAN WALLER: I'd hate for them to have a Councilperson elected by our people...I understand your question.

COUNCILMAN REDCORN: If there's any duties, but voting for this selected set, I probably can't do it. If there's other things I can do, I'd be happy to stay on.

COUNCILMAN CRUM: If I'm hearing right, you think there's somebody of the current applicants that maybe, someone you'd like to recuse yourself from talking about, I have a suggestion. Perhaps, Talee might want to say, 'I don't want to work on this one and the Chair could appoint someone else to fill his spot on this particular one, because...

CHAIRMAN WALLER: Actually, I will be available on that. I need your expertise and your knowledge.

COUNCILMAN REDCORN: OK.

CHAIRMAN WALLER: If that's OK with you.

COUNCILMAN REDCORN: I can handle it like that.

COUNCILMAN CRUM: I think that any of us should look at that list and say, 'I can't do this one'. So, I understand your concern.

CHAIRMAN WALLER: Yes, ma'am.

COUNCILWOMAN RED CORN: Mr. Waller, I would just like to say, these are just committees. You don't vote on this. The whole Council votes on it. These are just recommendations from the Committee.

COUNCILWOMAN BOONE: Mr. Chairman. In the past, the Committee did vote...

CHAIRMAN WALLER: It is recommended to us.

COUNCILWOMAN BOONE: And it has always been done by a vote of the Committees, and then they bring those votes forward for us to look at. That's the way it has been.

CHAIRMAN WALLER: The recommendations from the Committee is what the Chair is going to say. Yes.

COUNCILMAN CRUM: I think I do remember it was a done deal when we heard it, and one of the things I was going to bring up was that we discuss in here, that since we don't have these ready, you have to do, and time is of the essence with these kids to know whether they have a scholarship or not. They may well be in school before we can come back in session that the Chair would allow us to make our recommendations by way of a phone poll, and approved by the Council.

CHAIRMAN WALLER: Yes, that would be correct.

COUNCILMAN CRUM: I would recommend this.

CHAIRMAN WALLER: I want to reach out to our young people that we're here for them, and that's exactly how we'll handle that.

COUNCILWOMAN BOONE: Excuse me, Mr. Chairman.

CHAIRMAN WALLER: Yes.

COUNCILWOMAN BOONE: I would like to be able to see something I'm going to vote on.

CHAIRMAN WALLER: Of course you will. You'll see the applicants themselves.

COUNCILWOMAN BOONE: Well, I thought I understood Mr. Crum say we're just going to do a telephone poll vote.

CHAIRMAN WALLER: Of the applicants.

COUNCILWOMAN BOONE: OK.

COUNCILMAN CRUM: Of the recommendations.

COUNCILWOMAN BOONE: Of the recommendations. Alright.

CHAIRMAN WALLER: Yes, I agree.

COUNCILMAN CRUM: And I think we should be able to give you the names.

CHAIRMAN WALLER: We've got to keep going to get this streamlined for the kids. Any more questions?

COUNCILMAN YATES: I've got one more question.

CHAIRMAN WALLER: Please.

COUNCILMAN YATES: I went through them, yesterday, and are we required to give out four scholarships, or...

CHAIRMAN WALLER: Up to four. That's all we can afford.

COUNCILMAN YATES: I was just wondering, because some of them were stretched to...There's two or three that were automatic petroleum-related. But then, there were a couple, you kind of had to use your imagination and say, 'OK, that could be...'

CHAIRMAN WALLER: Up to four.

COUNCILMAN YATES: OK. Alright. Just asking. Thanks.

CHAIRMAN WALLER: Want to get back to your list that was done by resolution. I haven't gotten a chance to review it on hearing it, but I know that you have. I'd like to settle these, right now, this list that you handed out, because it's exactly what's in our resolution.

Lease Follow-Up: Barry Sparks

CHAIRMAN WALLER: I'd like to go on to Mr. Barry Sparks. Go right ahead.

BARRY SPARKS: OK. I'm kind of new at this. I don't know what our move is from here. I'm just trying to figure out if we can still consolidate or keep that lease consolidated or what our next move is. I'll work with you guys as much as possible to try and figure out a resolution on this as quick as we can.

CHAIRMAN WALLER: Charles.

CHARLES HURLBURT: Friday, I was asked by the Council to do a little investigating and find out exactly where we are, in the process. I found out that the lease has not yet been terminated, but it is in the process of termination. According to my research, and as I mentioned earlier, sometimes my luck with production has not been the greatest with this new system. I'm showing that the NE – I don't remember the quarter section now – the NE/4 24-25-6 has reported zero production every month since November, 2010. That's what was reported. We don't know whether it actually what occurred, but if they certified the reports were right and something else is actually true, we've got another issue. As I understand it, it is currently in our field inspection group to verify that the lease is not producing. Until we terminate it, I don't know what the Council can do. I mean, you're in kind of a situation where you don't have the power to granting the new lease, because there's already a lease on the property.

CHAIRMAN WALLER: OK. Never use those three words again.

CHARLES HURLBURT: Well, in this particular instance, there's already a lease on the property, it's hard to grant a new one, but I also understand that our folks aren't going to let him buy a lease that's two weeks away from termination. So, I just found out today where it was in the process. I need to find out how soon it could be terminated, then we'll have to go with the former lessee and find out if they would waive the field rights. Hopefully, by this time, next month, we'll be able to say this is what the situation is. I think it would be very difficult for me to make a recommendation to my boss, given the production that I've seen, that this should not be terminated. I mean, it's been four years that they've been telling us they're not producing anything. It ought to have been gone, a long time ago, in my view. So, it's going to be hard for us to come in and say, 'Well, we'll give you more time'. Well, I don't think we have the authority to give more time, either. The least ought to have been gone.

CHAIRMAN WALLER: And you'll take care of that?

CHARLES HURLBURT: We'll do our best. Yes, sir.

CHAIRMAN WALLER: Yes, sir. We'll stick with that from Mr. Sparks.

BARRY SPARKS: OK. Rick Helm, speaking with him from Chaparral, he said that Carol Revard and Earl, I'm not sure exactly of his last name, that he has a new copy of the production, and that's anything that I was associated with on that, but he says that it is here that they have it. So, whatever I can do to...

CHAIRMAN WALLER: We'll let him take care of it for you. Yes, Council.

COUNCILMAN CRUM: I'm just following up on what he just said. If you have some proof that there's this property's terminated because there was production, well now's the time for them to do that. If it's not, and they terminate it, then we have something that we may or may not do, according to the will of the Council. Until that comes to light, we're kind of stuck here.

BARRY SPARKS: OK, so what do I do, because we are producing the well, right now? We actually have it going.

CHAIRMAN WALLER: That gentleman right there, that just dropped his head to answer that question.

CHARLES HURLBURT: I probably can't answer it, properly. Technically, this is still owned by the company that you bought it from.

BARRY SPARKS: Right.

CHARLES HURLBURT: I don't know where we are in our office to get it terminated.

CHAIRMAN WALLER: Don't look at me.

CHARLES HURLBURT: I know. I'm looking at you for sympathy. Not for...

CHAIRMAN WALLER: OK.

BARRY SPARKS: Each time I've asked, they said that it was in the process of going to the field guy – Mark Hendricks is the field guy – and he said that it has not reached his desk now to verify that it has been...

CHARLES HURLBURT: Well, I will undertake here...I found out where it was, probably a half hour before the start of this meeting. I will go and get with the head of our Field Department, and with Mark, and ask them to give us an update as quickly as possible. I frankly don't know what to tell you. As I said, in my view, this should have been terminated two years ago, or three years ago, which would have solved a lot of problems. But the fact is, is that it wasn't and we've got to figure out what to do about it now that it's been put back on production, and I'm not enough of an oil field lawyer to tell you what the answer is, there.

CHAIRMAN WALLER: I'm enough of an Osage to tell you we want your production.

BARRY SPARKS: Right.

CHAIRMAN WALLER: Wherever they work this out, somehow, it's going to work out. Yes.

COUNCILMAN REDCORN: Could you summarize for me, Charles, the path to get this out and terminated back as an auction piece?

CHARLES HURLBURT: Sure. I'm going to do this in a very generic basis, because it's the same, no matter what the lease is. Whenever we find a lease, for whatever the reason that we think it's not producing, this one showed zero production. That's a pretty good reason. Sometimes the field inspection will say 'I don't see a well going up and down on their quarter section. For whatever reason, we will ask the field inspectors, first of all, to verify that our facts are right. People can put numbers on a report that may not be right. Our guys will go out and gauge the tank, mark wells, whatever, and they'll come back and say, 'It doesn't look

like we're seeing anything moving on the lease. The tank hasn't been the same gauge for a month,' or whatever it is. Then, once we have enough evidence we think we can go ahead and terminate the lease, we send a letter out, called a 15-Day Show Cause letter, and the whole idea behind that is not that you have two weeks to get your well into production, it's that we have enough right now to terminate. But, in case there's something we don't know, we want to know about it, before we go through the terminating proceedings. If we either don't get an answer back, or get an inadequate answer back from that 15-Day Show Cause letter, then a letter terminating the lease will be prepared, and the letter will identify the quarter section saying this lease is being terminated for non-production. In this case, you know, our field men inspected it, and the report shows zero and you have 90 days to plug all the wells and move the equipment. That letter will also include language allowing for appeals under 225 CFR Part 2, and if I remember right, you can even copy that part of the regulation. Then, if somebody, the lessee or a working interest on it thinks we're wrong, they can appeal, and, sure, we've lost appeals in the past. I know we've won some appeals, too; appeals to the Regional Director. If the Regional Director agrees with us, they can appeal then to the Interior Board of Indian Appeals. That's what happened on the one point we talked about earlier back to the BIA, and sat there forever. They have a huge backlog, and it may take a year or two or three to get a response back. During that month, and this is the downside, Minerals Council perspective, that lease is neither – it's in limbo. It's not producing, but it's not able to be reused, and if it's in an appeal, it's like it's – that block of land is taken out of play, until we get a response to uphold the appeal. It can be absolutely – you did wrong, and the termination is rescinded. More often, it's remanded back for further consideration. Sometimes, it can be looked at again. Sometimes you look at it again, it's screwed up, and maybe we get an order to have it remanded, and the termination be rescinded. That's happened. But when that occurs, whatever the subsequent decision is made, I don't think it's available for appeal again, but I don't bet my life on it. It takes a long time, anyway. We don't have that many in appeal, because usually, if we terminate a lease, it's because we know it needs to be terminated.

COUNCILMAN REDCORN: If you could follow up on your comments, and answer the second part of the question pertaining to putting that lease to an auction.

CHARLES HURLBURT: Once the appeal is over, it's immediately available. We've had cases, and I don't know, I can't remember if we had any in the 1st Minerals Council, but I know we did in the 2nd, where a lease terminated, and we were able to get the former lessee to waive his right to appeal. We agree with you, we did produce it and put it up for the next lease sale, or make it available for negotiation. Once the lease, and all the appeals have run, then it's available again.

COUNCILMAN REDCORN: So, for clarification, once it's run the gamut of termination process with the BIA, it's available for negotiation or it's available for auction.

CHARLES HURLBURT: That's right. The Council has the right and the authority to either negotiate leases on your own terms, or run them through the lease sale, or any combination, thereof, I think the actual regulations say.

COUNCILMAN REDCORN: Being on the 1st Minerals Council, we initiate the auction, and it's something I'm very interested in.

CHAIRMAN WALLER: Yes.

COUNCILMAN CRUM: Two things. While you're talking about the auction, the deadline for the Fall one to nominate is July 25th...

CHARLES HURLBURT: 25th, I think.

COUNCILMAN CRUM: So, for you folks out there, if you want to nominate anything, July 25th to get your nominations in for the auction, and I have a question that's kind of out in the weeds, but it's something that just came to me. He's producing, but he can't have a Division Order to sell it, because he doesn't own the

lease. Does the BIA take any position about inventoried oil? During that time, does the inventoried oil, assuming we get this deal in some fashion, does he have a legal right to inventoried oil?

CHARLES HURLBURT: Well, it's going into a consolidated tank battery.

COUNCILMAN CRUM: Well, that's true. You already have the right. So, I don't know. I just threw out some hardware for you, but it just struck me.

CHARLES HURLBURT: We got a 3.5-mile pipeline to Superior Gas Lines. So, that lease, if we update in getting a new lease, and sign it, basically, selling the gas and running a new 3.5-mile pipeline just for that lease probably would not happen. So that's going to be something that our gas pipelines wouldn't be off that lease for the time being. And, answering your question, right now, hopefully, we'll get this all worked out so that the current lessee changes over. But, right now, I don't think that the lease consolidation will apply. I don't think that he should be producing in that tank battery from this lease, because Company A owns five, Company B owns one, and you can't do that. But, as Mr. Waller said, we want the production, and I don't know exactly how we would work around that. I'm not willing to shut a well down and let the Tribe lose the royalty, or at least defer the royalty, if we can figure out a way to do that. So, we're going to be figuring out a way to do that, or I'm going to get a lot more gray hairs.

CHAIRMAN WALLER: By the 18th, I think. Our next meeting day.

CHARLES HURLBURT: I'm going to have to report back what we did. So, if I come in white headed, that's why.

CHAIRMAN WALLER: That'd be fine. We'll do our best. We'll have them take care of this issue, and then we'll try to have it...How long is this going to take you to fix this?

BARRY SPARKS: Oh, I have no idea.

CHAIRMAN WALLER: Give me a date.

BARRY SPARKS: Well, if we could get things worked out where we don't have to have a new lease, we can fix it pretty quickly.

CHAIRMAN WALLER: OK.

CHARLES HURLBURT: If those production numbers that Chaparral said that they do have exist, I mean, do I, I mean, like you said, obviously, that is the apparent problem there, if they've given you a bunch of zeros. Now, they've got numbers.

COUNCILWOMAN BOONE: Are those production numbers?

BARRY SPARKS: Well, I don't know.

CHARLES HURLBURT: What I was looking at was oil production that was zeros.

CHAIRMAN WALLER: We'll take care of that.

OLD BUSINESS

Records Receipt: Councilwoman Boone

CHAIRMAN WALLER: I'd like to go into our Old Business, Records Receipt, Councilwoman Boone.

COUNCILWOMAN BOONE: During our first meeting, I have asked for the resolution, etc., etc., that pertains to the Chairmanship in that Chair, right there. After I made my request, I saw Andrew turn to say something to our secretary, and I never got those records. I still have not received those records.

COUNCILWOMAN ERWIN: So, do we not have access to the records?

COUNCILWOMAN BOONE: Yes, we have access to the records.

COUNCILWOMAN ERWIN: I mean do we have to ask every time we want something?

CHAIRMAN WALLER: Basically, yes, on the records. It just keeps us knowing what is going on. We have a form, an interoffice.

COUNCILWOMAN BOONE: What form is that?

CHAIRMAN WALLER: Do you have a copy of it? Just so our office staff personnel will keep track of that, anything out of our accounting to request by the Chair.

COUNCILWOMAN BOONE: I think what she's asking for is, can we walk from the conference room to our secretary's room and retrieve the information that we want?

CHAIRMAN WALLER: Of course, you can.

COUNCILWOMAN BOONE: OK, I think that's what she was asking.

COUNCILWOMAN ERWIN: That's what I was asking.

CHAIRMAN WALLER: You're fine with that.

COUNCILWOMAN ERWIN: Any resolution or anything like that.

CHAIRMAN WALLER: I'm not going to answer an open-ended question, when we have shareholders on restricted elements and the status. But, yes, everything that does.

COUNCILWOMAN BOONE: Anything that has already gone over to the Nation's side of the world, we have to do an Open Records Act?

CHAIRMAN WALLER: We're not even looking that far in the...

COUNCILWOMAN BOONE: Well, I'll be looking farther.

CHAIRMAN WALLER: And we've already worked that out.

COUNCILWOMAN BOONE: I've got another one.

CHAIRMAN WALLER: Yes, ma'am.

COUNCILWOMAN BOONE: OK, so with that cleared up...

CHAIRMAN WALLER: I'm going to say, as Chairman, we have an obligation to our shareholders, of protecting them. That's part of it. Money's not everything, but it's a lot of it. Also, as Chair, I'd like to see that protection element, as long as it's been opened, it's in our office, you guys help yourselves. Get to the probates, issues of that fact.

COUNCILWOMAN ERWIN: I don't want to know.

CHAIRMAN WALLER: Thank you, dear. I don't, either.

COUNCILWOMAN BOONE: On June 27th, I see that our attorney, David McCullough, was asked to do a research draft and revise or finalize a memo on anti-hostile workplace policy and Resolution 2-250 that was banning me from the office, I never received any of the results of his research draft or revision.

CHAIRMAN WALLER: OK.

COUNCILWOMAN BOONE: And I want copies of that.

COUNCILWOMAN RED CORN: Isn't it in the book?

COUNCILMAN YATES: It's in your book.

COUNCILWOMAN RED CORN: Under '9'.

COUNCILMAN YATES: '9'.

CHAIRMAN WALLER: Dated July 15, 2014?

COUNCILWOMAN BOONE: OK.

COUNCILMAN YATES: Yes. Yes. It was actually June 27 that we responded to the transition.

CHAIRMAN WALLER: Yes, sir.

COUNCILMAN YATES: So, I presented that to Council, and a copy of his memo is in our books, along with, he had a cover email explaining it, and there's also a, I presented the same question to the Attorney General. He gives a short deal on it.

COUNCILWOMAN ERWIN: Well, I'm a little confused by the letter here, because he makes reference, not only to how we can act as a group and make a choice, but we're also underneath the Nation, right? We should have our own policies and procedures.

CHAIRMAN WALLER: That's correct. Updated Policies and Procedures.

COUNCILWOMAN ERWIN: OK.

CHAIRMAN WALLER: We're going by what's in place.

COUNCILWOMAN ERWIN: OK. And should we not do everything that way? I mean everything that we do. I mean, we're going to have to do it, one way or the other. We're in a gray area here, and whatever we want to do at the time is where we want to choose whether we use the 1906 Act, our own policies, or we go by the Nation.

CHAIRMAN WALLER: Yes.

COUNCILMAN CRUM: I'd like to comment on that, and I agree with the Councilwoman completely, on one of the things we failed to do is we're a body that allowed by whatever means you want, the Constitution or CFR's, or the '06 Act. Lots of ways that we can empower the Act on our own, and if we don't do our own policies and procedures on different subjects, then probably, at least the opinion has been given to us, far back in our last one, that we would default to the Nation as put in place on that particular subject. So I

agree with you we need to have our own, so if we don't want to have what the Nation says, or if we want to have what the Nation says, then we can do whatever is our own.

COUNCILWOMAN ERWIN: If we had what the Nation said, none of the people that work for the Nation would be in here as Minerals Council people.

COUNCILMAN CRUM: No, because the Nation just said that it's Congress...

COUNCILWOMAN ERWIN: Yeah.

COUNCILMAN CRUM: ...pretty specific on that, and I think we need to have them all in place, not just the little bit that we do, but our office running, but maybe for ethics. That's in the Constitution, actually.

CHAIRMAN WALLER: Yes.

COUNCILMAN CRUM: For the rest of the Nation.

COUNCILWOMAN ERWIN: Do we have any ethics in the...

COUNCILMAN CRUM: We don't even have one, except the closest thing we have is the one that we were just now talking about, today. We don't have any sets of any of those, and that's been something that the first two Councils that I'll say, I think with the possibilities of two for the second one, but we have not done one...

COUNCILWOMAN ERWIN: Well, we need to pick a road and go with it.

CHAIRMAN WALLER: 1906.

COUNCILMAN CRUM: Well, whatever we used to have, right where there's no controversy of the Minerals Council's policies are, they're the ones that the Minerals Council has adopted.

COUNCILWOMAN ERWIN: Or what they did by resolution.

CHAIRMAN WALLER: Yes. Yes, Councilwoman Boone.

COUNCILWOMAN BOONE: And it was my attempt last year to get some ethics on the books, etc., etc., but anytime I brought anything to the Council, it was always voted down. I have a question on this information about this hostile work place and policy. Does this pertain to both of the secretaries or just the one that spends the weekends in jail?

CHAIRMAN WALLER: I would...

COUNCILMAN CRUM: Mr. Chairman.

CHAIRMAN WALLER: Yes.

COUNCILMAN CRUM: Again, we're having an example of attacking in open meeting. People, we don't need to treat our employees that way.

COUNCILWOMAN BOONE: Court cases are public record, Mr. Crum. Anyone can get the court record...

CHAIRMAN WALLER: Excuse me. I do have a Point of Order, in which I hit this gavel. I'm going to call Point of Order, it stops.

COUNCILWOMAN BOONE: Then, Mr. Chairman, I want to know which of these staff members does it apply to? Just one of them, or is it both of them?

CHAIRMAN WALLER: It says 'workplace'. It's everybody.

COUNCILWOMAN BOONE: OK.

NEW BUSINESS

Personnel – Gina Rennick:

CHAIRMAN WALLER: I'm going to go on to New Business. I have Personnel. We need to fill in. We have a young lady, a new employee come to us and is available, Mrs. Rennick. She has worked for us before. We need to add the staffing. I'd like to ask the Council's permission. Do we have a resolution, bringing her in at what we used to pay her? With that, I'd open up the floor.

COUNCILMAN CRUM: One, just the nuts and bolts. You said, 'what we used to pay her'. I'm not sure that what the amount we have down for starting salary for a receptionist. Is that what we're talking about?

CHAIRMAN WALLER: It's a little higher on her end. I don't have that copy in front of me, or is it in my book?

COUNCILMAN CRUM: So, your recommendation would be that she doesn't start as a beginning receptionist. It'd be whatever she went out at. Is that your recommendation? Just a clarification on that.

CHAIRMAN WALLER: This is the number she left at? Oh, OK. It's the minimum, now. Yes. It's already funded in the budget.

COUNCILWOMAN BOONE: Has anyone talked to this lady about coming back to work for us?

CHAIRMAN WALLER: She's actually come to our office and filled out our applications, and took them over to HR. Yes.

COUNCILWOMAN BOONE: The normal procedure is applying.

CHAIRMAN WALLER: That's true. But, let me get to staff and I'll get back to you.

COUNCILWOMAN ERWIN: Can I make a motion that we hire her?

CHAIRMAN WALLER: Please.

COUNCILWOMAN ERWIN: That we hire Gina Rennick at \$13/hr.

CHAIRMAN WALLER: I need a second.

COUNCILMAN YATES: I'll second it.

CHAIRMAN WALLER: Councilman Yates. Now discussion.

COUNCILMAN CRUM: I'd like to go back to my question about the amount that we were paying Heather, before she left that position.

COUNCILWOMAN ERWIN: What difference does that make?

CHAIRMAN WALLER: He was just asking.

COUNCILWOMAN ERWIN: OK.

COUNCILMAN CRUM: It's a question any responsible Councilman would ask.

CHAIRMAN WALLER: Yes, sir. Councilwoman Red Corn.

COUNCILWOMAN RED CORN: What does the budget call for, for that position?

CHAIRMAN WALLER: This falls under the requirements under the budget, the 13 does. Didn't you check that? Well, Ms. Cheshewalla had, to get us here. So, it is. Yes, ma'am. Any more discussion? I'd like to call for the question.

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

Resolution: Councilwoman Boone

COUNCILWOMAN BOONE: We skipped over a resolution to be discussed today to rescind Resolution 2-250 banning me from the office.

CHAIRMAN WALLER: Well, first off, I show two of them, and we took care of the records, and I thought the conversation got a little too vile for me over this resolution.

COUNCILWOMAN BOONE: Mr. Chairman.

CHAIRMAN WALLER: Yes.

COUNCILWOMAN BOONE: I came in Monday morning and I put a note under your door to have the resolution prepared, and I don't see it in here.

CHAIRMAN WALLER: The 2-250?

COUNCILWOMAN BOONE: No, it would have been a new one that I had prepared to rescind 2-250. I don't find it in my book.

CHAIRMAN WALLER: Yes.

COUNCILMAN CRUM: I would ask did you leave a prepared resolution, or just a note saying you wanted one?

COUNCILWOMAN BOONE: Mr. Crum, I always prepare my own resolutions. I always prepare my own...

CHAIRMAN WALLER: It does not matter.

COUNCILWOMAN BOONE: ...I always prepare my own research. I never ask my staff to do any of that stuff for me at all.

COUNCILMAN CRUM: Well, I was just asking a question, so I'd understand how it didn't get put in the book. So, could you, perhaps, review it for us?

COUNCILMAN YATES: Or produce it?

COUNCILMAN CRUM: Or produce it?

COUNCILWOMAN BOONE: I can't produce it, because I gave the note to Chairman...

COUNCILMAN YATES: You don't have an extra copy?

COUNCILWOMAN BOONE: Apparently, the secretary did not do a copy for us, at all. Mr. Chairman?

CHAIRMAN WALLER: Yes.

COUNCILWOMAN BOONE: I make the motion we rescind Resolution 2-250 banning me from the office.

CHAIRMAN WALLER: I'll ask for a second.

COUNCILWOMAN ERWIN: Are you asking or are you seconding?

CHAIRMAN WALLER: I'm asking.

COUNCILWOMAN ERWIN: I second.

CHAIRMAN WALLER: I have a second by Stephanie Erwin. Any more discussion by the Council?

COUNCILMAN YATES: Yes. OK, you're getting ready for the roll call, but this is for the discussion. In the Anti-Hostile Work Environment Policy, it prevents the person that it's being brought against from voting. I just want to make that clear.

CHAIRMAN WALLER: Then, they can't do the other one.

COUNCILMAN YATES: I mean you could remedy that. I'm just telling you what it says.

COUNCILWOMAN BOONE: That can't be right...oh.

CHAIRMAN WALLER: Ms. Erwin.

COUNCILWOMAN ERWIN: May I say something here? Instead of sending it out directly for one person, don't you think it needs to be for everybody? I mean, I'm not understanding why there's a resolution for one person. I mean, isn't it supposed to be a part of our policy and procedures to...

COUNCILMAN YATES: We voted for that March 19th, when we put that into place for everyone.

COUNCILMAN CRUM: That one is in your book

COUNCILWOMAN ERWIN: What page is that?

COUNCILMAN CRUM: It's the very last one of mine, in my book.

COUNCILWOMAN ERWIN: The very last one in mine, and your book?

COUNCILMAN CRUM: Yeah, and at the top, "Anti-Hostile Workplace Policy," and it goes in four paragraphs. Four pieces.

COUNCILWOMAN ERWIN: Well, I don't seem to find it mine.

COUNCILMAN CRUM: I'll give you a copy.

COUNCILWOMAN ERWIN: Because I was looking for it. I don't understand.

COUNCILMAN CRUM: They were part of the stuff with...

COUNCILWOMAN ERWIN: Well, I understand that.

COUNCILMAN CRUM: All that he had and reviewed.

CHAIRMAN WALLER: Please.

COUNCILWOMAN ERWIN: As I said, my stuff's been gone through. Thank you.

COUNCILWOMAN BOONE: Mr. Chairman.

CHAIRMAN WALLER: Yes.

COUNCILWOMAN BOONE: I don't see in this Anti-Hostile Workplace Policy where it says your taking away my right to vote on an issue. Can you point that out to me on this Anti-Hostile Workplace Policy?

CHAIRMAN WALLER: That is not in the Anti-Hostile Workplace Policy.

COUNCILMAN CRUM: It is.

COUNCILWOMAN BOONE: Well, where is it?

COUNCILMAN YATES: It didn't make that cut, did it?

CHAIRMAN WALLER: Councils may be banned by majority vote and Council member...

COUNCILMAN CRUM: Right there.

COUNCILMAN YATES: Yeah.

COUNCILMAN CRUM: By remaining Councilmembers.

COUNCILWOMAN BOONE: It hasn't been proved that I created a hostile work environment.

CHAIRMAN WALLER: We have a few seconds, and then I'll stop this.

COUNCILMAN CRUM: I have a comment on some of this stuff. We had an attorney here, last date. I'm not sure what his throw was, either to educate us or scare us. I'm not sure which one. He didn't do much of a job for me. But one thing I do know for a fact, and that's that we're a Sovereign people. We've been a Sovereign people before there was a United States, before the State of Oklahoma, and as long as there's been any legal determination of whether the Osages have this spot right here. We're on our land that is never been disputed that we have that. We're also a people who have been elected by the Osage people to conduct our own business, and as I stated earlier, whether you use the '06 Act, or the CFRs or the Constitution, we're given the right to promulgate our own rules and regulations. That policy was one of them.

CHAIRMAN WALLER: Yes, sir.

COUNCILMAN CRUM: And, as such, we have the right to promulgate that rule. We have the right to act on what we see needs to be done about it. One of the things we absolutely have the right to do is to police ourselves. Any organization, one of the first things they do is to police how you do business, how you do things within your own sphere, and we have the right and obligation to do that, and we...Let's take it away from the...It shouldn't be for everybody. Let's look at it from a different point of view, for a moment, Mr. Chairman, if you'll indulge me. Let's say my behavior was such that I was making sexual innuendos to the ladies. I was causing a problem of grabbing them. I wasn't doing anything that was necessarily illegal, but I was causing a hostile workplace by my behavior, and we had our employees coming to management saying, 'This is a problem. This guy won't stop. What are you going to do about it?' If we had people that quit and said that was the reason that they quit, if we had people that we tried to hire back and said there's not enough money to bring me back, as long as Galen Crum is there and you're allowing him to make these suggestions towards people. Why, it would be, I think, the responsibility of the Council, and what you did was said I couldn't come in direct contact with those ladies, and that I could do every other part of my functions, I could come to all my Committee meetings, I could come to the meetings, I could vote, I could even ask for them to prepare things for me, but I had to ask it through you, the Chairman. I would see nothing wrong with that and don't expect when I run for this office that I would have to abide by the rules and regulations set up by this body. I know from reading the Constitution from other ways that this body has a right to expect certain things from me, and I would need to live by it. We need to have an office that runs, so we can keep people working. Every time we lose somebody, we lose experience. We lose the ability to follow through in continuity, and it costs the shareholders and as stated in the Workplace Policy, it's a significant financial risk to the shareholders for being sued in having a hostile workplace environment. So, it's a responsibility we have to police ourselves.

COUNCILWOMAN BOONE: First of all, we did have such a Council member that did make sexual innuendos by saying to one of our staff, 'If you don't have a hickey, I'll give you one'. Now, to me, that's uncalled for.

CHAIRMAN WALLER: We got two more minutes of this, and I'm going to go back to the Old Business.

COUNCILWOMAN BOONE: The Anti-Hostile...

CHAIRMAN WALLER: Yes.

COUNCILWOMAN ERWIN: OK. Well, we're talking about this, this is actually a temporary thing that we're talking about, because if we wanted it to be permanent, it says to make that permanent, the Minerals Council would have to call a referendum of all the Osage Mineral Royalty Interest...

CHAIRMAN WALLER: I do not embarrass myself, asking for that.

COUNCILWOMAN ERWIN: ...to consider whether the policy should be made permanent. What I'm saying is, is we're getting two different things being said to us. Is this permanent or not?

COUNCILMAN YATES: What he said was...

CHAIRMAN WALLER: Please.

COUNCILMAN CRUM: Somebody.

COUNCILMAN YATES: It could be rescinded in a resolution. So, it's not permanent. It could be, next Council meeting, it could be rescinded, and that's what he...

CHAIRMAN WALLER: No, we actually have a motion on the floor to do exactly that.

COUNCILWOMAN RED CORN: Mr. Waller?

CHAIRMAN WALLER: And you'll be my last.

COUNCILWOMAN RED CORN: OK. I just wanted to say that we have a Policy and Procedure Committee that I think can address this, when we get into our committees.

CHAIRMAN WALLER: Yes, ma'am.

COUNCILWOMAN RED CORN: And...

CHAIRMAN WALLER: And a directive recommendation from the Committee.

COUNCILWOMAN RED CORN: Right, and I know, serving on the 1st Minerals Council, I can't tell you how many secretaries we went through. I can't remember. But, we also got three secretaries from TANF, and TANF called me. The Director called me and said, 'Don't ever, ever ask for another secretary because I will not give you one. So, we went through that, and the last one we had, she wrote us a letter and she listed about 15 items as to why she wanted to resign, and we begged her to stay through the end of our term. I know that this has been a problem all the time that I was on the 1st Council, and I don't know about the 2nd, but I do not want to tolerate it through the 3rd, and I can tell you that, right now. That's all I have to say.

CHAIRMAN WALLER: Thank you Councilwoman. One last comment.

COUNCILWOMAN BOONE: And Kathryn, the secretary that we're talking about...

CHAIRMAN WALLER: Oh, no, no, no.

COUNCILWOMAN BOONE: She was allowed to bring it up, Mr. Chairman. I'm responding to it.

CHAIRMAN WALLER: I'm kind of accounting who's allowed, and you're up ahead of these people by about three. Look, let me ask the Council a question. Are you ready to vote on this?

COUNCILMAN CRUM: I was going to call the question.

CHAIRMAN WALLER: Call for the question.

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

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

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

Adjournment – 12:41 p.m.

Approved:



Executive Administrative Assistant



Chairman