

OSAGE MINERALS COUNCIL

REGULAR MEETING

July 22, 2015

MINUTES

Call to Order

Chairman Waller calls the meeting of the Osage Minerals Council to order at 10:09 A.M.

Opening Prayer

Councilman Redcorn leads prayer.

Roll Call

Lacey Reynolds calls roll. Osage Minerals Council members present were Cynthia Boone, Joseph Cheshewalla, Stephanie Erwin, Kathryn Red Corn, Talee Redcorn, Everett Waller, and Andrew Yates.

Guests in attendance were Paul S. Revard, Jinx Geurin, Sharon Long, Linda Jackson, Joy Ledbetter, Mike Wachtman, Linda Heskett, Julie Wilson, Gene Bowline, John M. Kane, Bob Knappe, Nick Hail, Roxanne Haynes, Joe Daugomah, Don Williams, Sandra Jamison, Teresa Rutherford, Bev Brownfield, Nona Roach, Jamie Sicking, Shane Matson, Keli Mashburn, Florence Bigheart Trantum, Rhonda C. Wallace, Joe Hall, and Sandra Maker.

Accountant Reports

Chairman Waller states accountants are tied up and that will be taken off the agenda.

Auditor Report

Jim Swan gives report. He states total collections for June was \$3,870,517.19. Average price per barrel of oil in May was \$57.23. Average Highest posted price for June was \$56.28. Yesterday's HPP was \$47.00. Average Barrels produced in May were 12,790. Gross barrels were 396,824. Royalty barrels were 61,882. Royalty barrels vs gross barrels 15.61%. Total oil royalty collected in June \$3,542,428 gas royalty was \$255,622 tank bottom royalty was \$634 for a total of \$3,798,684.

BIA Reports

Deputy Superintendent Jeannine Hale gives BIA reports. She states that 16 trucking permits were issued. 20 leases were checked for primary term production. Field operations has also witnessed 2 pluggings, had 82 lease inspections, 11 complaints, 23 spills inspected, 61 spill and leak follow ups, 10 gas meters approved, gauged 20 tanks, witnessed 1 tank bottom, 18 calculations reviewed and encoded 1977 purchase run tickets, and 1 petroleum engineer tech attended BLM certification training. Councilwoman Erwin asks what the complaints subject matter was.

Jeannine states she will have to find out. Councilwoman Erwin asks about the period of time for the 1977 purchase run tickets. Jeannine states she will have to find out. Councilwoman Boone asks if all the field men have attended training. Jeannine says no the new ones are being signed up for October. Councilman Redcorn states that he requested to accompany a gas meter proving, but that never happened so he asks that if they could take a picture of the meter and a report. Jeannine agrees. Jeannine then says lease management approved 10 assignments, 19 division orders, 11 lease terminations, list of producing wells stayed the same at 14856, and no leases approved. Jeannine states she added a part that talks about other minerals. Lease management provided leases that sold in May. Those leases were APAC, Hindman and Candy Creek Crusher. Chairman Waller asks about the assignments and how do we get them to take care of them. Jeannine states she does not know the answer to that question. He says he requests the information to get those done. Jeannine states that there are a number of producers working with their own consultants to get the EA's done. She then states she has been helping the Branch of Subsurface but producers are not submitting their reports, so this report is not accurate. Jeannine states they are trying to staff up and improve the efficiency of the office. There is nothing they want more than to see production go up. They are trying to improve and that's all they can do.

New Business

DISCUSSION CONCERNING EXECUTIVE BRANCH- Councilwoman Red Corn states that last week she brought up that it is time to meet with the Chief and that the Council approved to meet with him. Then she asks if we want to send him a letter of invitation or if it will be done privately. Councilman Redcorn states that we showed hands to decide if this should be on the agenda. Councilwoman Boone states the doors are not closed to the Chief but we don't need to bend over backwards to invite him here. Councilman Yates states he is in favor of setting up a meeting with the Chief and possibly congress. He would like to do it in private so we can discuss our lawsuits and the indirect costs letter. Councilman Redcorn states he agrees with Councilman Yates. Chairman Waller states he will do whatever you guys want. Councilwoman Boone states if I want to know what is going on in his office she will go ask and she doesn't need a special invitation. Councilwoman Red Corn states that in order for the constitution to pass we had to share the sovereignty with the nation.

Motion is made by Councilwoman Red Corn to invite Chief and assistant Chief and Speaker Whitehorn to a private meeting. Motion is 2nd by Councilman Yates.

Open up for discussion. Councilwoman Erwin states she is looking at her headright owners and she sees their heads and the way they are shaking and she will be voting the way they are shaking

Boone-No, Cheshewalla-Abstain, Erwin-No, K. Red Corn-Yes, T. Redcorn- Abstain, Waller-Abstain, Yates-Yes

MOTION FAILS: 2-YES, 2-NO, 3-ABSTAIN

WACHTMAN SCHROEDER- Michael Wachtman speaks on behalf of Wachtman Schoreder. He states that he sent a letter with his offer.

Motion is made to accept Wachtman Schoreder proposal for the SE/4 of 35-29N-10E in the amount of \$1500 for 6 month oil only lease and they assume responsibility for well #3A by Councilwoman Boone and 2nd by Councilwoman Erwin.

Boone-Yes, Cheshewalla-Yes, Erwin-Yes, K. Red Corn-Yes, T. Redcorn- Yes, Waller-Yes, Yates-Yes

MOTION PASSES: 7-YES 0-NO

PAUL REVARD- He states he is here to discuss a lease he purchased last year at the lease sale. Legal of location is SE/4 31-21N-10E. He states he has attempted to go to the property but has not been allowed access to the property. He then says the BIA altered the lease. Mr. Revard asks if he could send in his \$10 to terminate the lease and negotiate the lease for \$1 so he can have his two year lease that was already paid for. He just wants his affective date to start over.

Councilwoman Boone asks about a lease extension. Jeannine Hale states that he cannot do that because there were no operations or drilling on the lease. She then refers to 226.9B. Councilman Redcorn requests that he submit a paragraph on what he wants and we will vote on it on the Friday meeting in August. Chairman Waller requests that Councilman Redcorn follow up on it. Then states we are going to break for 20 minutes. There are no objections.

Motion to enter Executive was made by Councilman Cheshewalla and 2nd by Councilwoman Boone.

Cheshewalla-Yes, Erwin-Yes, K. Red Corn-Yes, T. Redcorn- Yes, Waller-Yes, Yates-Yes, Boone-Yes

MOTION PASSES: 7-YES 0-NO

Executive entered at 12:32 P.M.

Motion to exit Executive was made by Councilwoman Boone and 2nd by Councilman Cheshewalla.

K. Red Corn-Yes, T. Redcorn- Yes, Waller-Yes, Yates-Yes, Boone-Yes, Cheshewalla-Yes, Erwin-Yes

MOTION PASSES: 7-YES 0-NO

Executive Exited at 1:45 P.M.

Old Business

Meeting Minutes- Councilwoman Boone states she submitted the corrections that she found. Councilman Yates states that there was a misspelling in Arbor and it should have been Eddy Red Eagle. Councilman Yates says he would like to see the corrected version.

Motion was made to accept minutes made by Councilman Redcorn and 2nd by Councilwoman Boone.

T. Redcorn- Yes, Waller-Yes, Yates-No, Boone-Yes, Cheshewalla-Yes, Erwin-Yes, K. Red Corn-Yes

MOTION PASSES: 6-YES 1-NO

Vermillion-Nick Hail states he was unable to get the contact information on the Orphan Well Committee. He is back to get the resolution to get the information from the BIA. Councilman Redcorn says he has their phone numbers. Jeannine states she has had a meeting with Mr. Rennick and Mr. Redeagle. She then states she will provide the information to the Minerals Council chairman and then it can be distributed as they see fit. Chairman Waller states that we will get it to Mr. Hail when it is recieved. Mr. Hail asks if we have a timeline. Jeannine states it will take time and she will contact the Minerals Council.

Budget Modification- Councilwoman Redcorn states that under tab 9 there is a resolution to approve the modified budget. She then states the attorney fees are McCullough \$14632.80 Dennison \$19920 akin and Gump \$304168.36 Elias \$15574.58 Fredericks \$141,386.13 for a grand total of \$495681.87. She states she talked to Leslie Young and we were able to take some out of fringe because we didn't use a whole lot at the beginning of the Fiscal Year.

Motion is made to approve the budget modification as is in books by Councilman Yates and 2nd by Councilwoman Erwin.

Waller-Yes, Yates-Yes, Boone-Yes, Cheshewalla-Yes, Erwin-Yes, K. Red Corn- Yes, T. Redcorn-Yes

MOTION PASSES: 7-YES 0-NO

Councilwoman Boone states that she would like to discuss moving the Minerals Council money to a different bank. She states there is a draft resolution in the books. Councilwoman Boone then reads the resolution into record that effective 10/1/15 the OMC funds will be deposited in Banc First in Bartlesville. Councilman Yates asks why we don't go to another bank here in town. Chairman Waller states because they took it from the other bank and the bank it is in now has a huge lawsuit against our producers.

Yates-Yes, Boone-Yes, Cheshewalla-Yes, Erwin-Yes, K. Red Corn- No, T. Redcorn-Yes, Waller-Yes,

MOTION PASSES: 6-YES 1-NO

Newsletter- Chairman Waller states that the newsletter is in the book. Councilwoman Boone requests that the PO Box be taken off and 813 Grandview be used.

Motion is made to approve the newsletter and send it out made by Councilwoman Erwin and 2nd by Councilwoman Boone.

Boone-Yes, Cheshewalla-Yes, Erwin-Yes, K. Red Corn- Yes, T. Redcorn-Yes, Waller-Yes, Yates-No

MOTION PASSES: 6-YES 1-NO

Committee Reports

Scholarship- Councilman Yates states that there were four applicants. There is Logan Big Eagle, Bret Fugate, Branden Edwards, and Kyle Gatzman.

Motion to approve the scholarship recipients was made by Chairman Waller and 2nd by Councilwoman Erwin.

Cheshewalla-Yes, Erwin-Yes, K. Red Corn- Yes, T. Redcorn-Yes, Waller-Yes, Yates-Yes, Boone-Yes

MOTION PASSES: 7-YES 0-NO

Motion was made to adjourn made by Councilwoman Erwin and 2nd by Councilwoman Boone.

Erwin-Yes, K. Red Corn- Yes, T. Redcorn-Yes, Waller-Yes, Yates-Yes, Boone-Yes, Cheshewalla-Yes

MOTION PASSES: 7-YES 0-NO

Meeting adjourned at 2:25 P.M.

Minutes Submitted By:

Tracee Reynolds

Minutes Approved By:

[Signature]