

Osage Minerals Council

Regular Meeting

*November 18, 2015*

MINUTES

**Call to Order**

Chairman Waller calls the meeting to order at 10:01 A.M.

**Opening Prayer**

Eddie Redeagle, Jr. gives the opening prayer.

**Roll Call**

*Lacey Reynolds calls roll.* Osage Minerals Council members present Councilwoman Boone, Councilman Cheshewalla, Councilman Crum, Councilwoman Erwin, Councilwoman Red Corn, Councilman Redcorn, Chairman Waller, Councilman Yates

**Guests in attendance:**

Steve Gage, JL Holt, Kris McClanahan, Beverly Brownfield, Teresa Rutherford, Travis Keener, Shane Matson, Jamie Sicking, Dudley Whitehorn, Sandra Jamison, LK Heskett, Julie Wilson, Frances Kilpatrick, Belle Hill Wilson, Nona Roach, Susan Forman, Florence Bigheart Trantum (Bigheart Corp.), Biff Huckaby (APAC), Jinx Geurin, Janel Perry (OST), Joy Ledbetter (OST), Don Williams, Gene Bowline, Tom Lackey (Chaparral), Jim Revard (MidCon), Leslie Young (Accounting)

**Accountant Reports –Leslie Young**

Leslie states that Julie Roe will not be here today. There is \$3,436.45 in checking. As of the end of October there has been spent \$18,403.59. Chairman Waller will get the draw down to her when the meeting is over. Councilman Redcorn was wondering the status of Akin & Gump. Leslie believes they have paid them in full.

**Auditor Report – Jim Swan**

Collection for October 2015 is \$3,168,922.32. Average price per barrel of oil for September 2015 is \$43.47. Highest posted price \$42.92. Today's highest posted price is \$. Average daily barrel price for September 2015 is 12,757. December payment will be \$4,360 per head right. Our gross production for Oil and Gas to be paid to the Oklahoma Tax Commission is 496,029.46. Gross barrels for September 2015 is 382,716. Royalty barrels for September 2015 is 59,567. Gross royalty barrels for September 2015 is 15.56%. Total oil royalty for October 2015 is \$2,590,117. Total gas royalty for October 2015 is \$298,763. Tank bottom royalty for October 2015 is \$629. Total oil & gas royalty for October 2015 is

\$2,889,509. Royalty bonus of \$1.52 per barrel average. Councilman Redcorn wanted to point out that the royalty rate from last year to this year has dropped a half of percentage rate.

### **BIA Reports -**

Robin Phillips talks about the October report. 434 purchase tickets reviewed and encoded; 60 lease inspections; 35 lease inspections/follow-up; 17 leases checked for production/primary term; 1 tank strappings witnessed; 9 complaints responded to; 6 spills/leaks inspected; follow-up spill/leaks; 23 tanks gauged; 2 tank bottom removals witnessed; 14 run tickets and 28 calculations. Oil and Gas had 1 lease approved; 10 assignments; 107 division orders and 15 lease terminations for October. For October there were 18,112 less 3,255 for Salt Water Disposal and other wells 14,857. Leases sold September under 214 were 4. Leases that sold the most were Apac, Candy Creek Crusher, and Casey Hindman. Sales reported per lease were Apac's production 66,222.04 tons and \$35,097.68 royalty paid. Candy Creek Crusher production was 16,762.82 tons and \$8,549.04. Casey Hindman's production was 3,439.60 cubic yards and \$2,579.70. Branch of Subsurface Minerals reported 7 drilling permits that were approved and 11 workover permits approved. Branch of Enforcement and Lease Compliance reported 51 non-compliance notices were issued and 1 penalty letter. Robin said the Agency sent a letter to the Chairman about to dates to meet with Mike Black. Robin said, "They will need a response to that." Chairman Waller said, "That will be the 14<sup>th</sup> of December and the agenda will be the same." Robin asks if the Council will be resending the agenda. Councilman Crum thinks it should be in the morning. Robin said, "Ten o'clock?" Chairman Waller said, "Yes." Robin states that is all of her report. Councilwoman Erwin said, "There was a lease we had some problems with Grand Resources and would like a follow-up on this. I asked about this last month and do not know what corrective actions have been taken, if any at all." Robin said, "Grand Resources have summited a letter to us and informed us to what they intend to do on the property. We provided a response to Roach's to let them know." Councilwoman Erwin would like to have that in writing. Robin asks if she would like a copy of the letter. Councilwoman Erwin said, "Yes, I would like to know where we are on that. I have been hearing different stories and want to get to the bottom of this. Also did you meet with the GAO when they were here?" Robin said, "Yes." Councilwoman Boone would like to how many drilling permits were issued. Robin said it is on the report. Councilwoman Boone said, "There is a rumor that is going around that the BIA is having all of their employees work adamantly on a back log of some sort pertaining to drilling. Do you know anything about this?" Robin states that there are several people working on permits. Councilwoman Boone asks, "You only have seven processed?" Robin states since October yes. Councilwoman Boone would like to know how many are back logged. Robin states she will get those to the Council. Robin states that the Osage Minerals Council can request documents. Councilwoman Erwin would like a complete inventory of what has been sent to Colorado. Robin will get it to the Council.

### **APAC**

APAC talked last week about their proposal. The will not know the exact acreages. Councilman Crum discussed what the Council went over last week. Robin recommended the Council to follow the regulations.

Motion was made to table APAC discussion until we hear back from Superintendent by **Councilwoman Boone** and seconded by **Councilwoman Erwin**.

**VOTING:** BOONE-YES, CHESHEWALLA-YES, CRUM-YES, ERWIN-NO, K. RED CORN-YES, T. REDCORN-YES, WALLER-YES, YATES-YES

**MOTION PASSES:** 7-YES 1-NO

**Resolution on Galen Crum appointee as ON representative-Cynthia Boone**

Councilwoman Boone reads from past meeting minutes that Councilman Crum would find a way to be there. This was in reference to the vote that the Council voted no, not to be a part of the EIS. For clarification purposes, the Council will be voting that Galen Crum is an appointee of the Osage Nation and not the Osage Minerals Council. Councilman Crum explains that he is not trying to represent the Osage Minerals Council on the EIS.

Motion was made to approve resolution on Galen Crum by **Councilwoman Boone** and seconded by **Councilwoman Erwin**.

**VOTING:** CHESHEWALLA-YES, CRUM -NO, ERWIN-YES, K. RED CORN-YES, T. REDCORN-ABSTAIN, WALLER-YES, YATES-ABSTAIN, BOONE-YES

**MOTION PASSES:** 5- YES 1 - NO 2-ABSTAIN

**Warrior-new lease-Robert Knappe**

Motion was made to approve Warrior resolution as written by **Councilman Yates** and seconded by **Councilman Redcorn**.

**VOTING:** CRUM-YES, ERWIN-ABSTAIN, K. RED CORN-YES, T. REDCORN- YES, WALLER-YES, YATES-YES, BOONE-YES, CHESHEWALLA-YES

**MOTION PASSES:** 7-YES 0-NO 1-ABSTAIN

**Resolution regarding injunction against the new rules –Stephanie Erwin**

Councilwoman Erwin talked about the resolution that the Council went over at the last meeting.

Motion was made to adopt resolution in regards to the neg regs as the elected governing body by the Osage Minerals Estate the Osage Minerals Council is to enter into agreement resolving the claims relating to the final rule **Councilwoman Erwin** and seconded by **Councilwoman Boone**.

**VOTING:** ERWIN-YES, K. RED CORN-YES, T. REDCORN-YES, WALLER-YES, YATES-ABSTAIN, BOONE-YES, CHESHEWALLA-YES, CRUM-YES

**MOTION PASSES:** 7-YES 0-NO 1-ABSTAIN

**Resolution regarding oil companies, fines, and why fined-Stephanie Erwin**

Councilwoman Erwin would like this resolution to pass to get this information.

Motion was made to do a resolution regarding producers fines, how much, and why by **Councilwoman Erwin** and seconded by **Councilwoman Boone**.

**VOTING:** K. RED CORN-YES, T. REDCORN-YES, WALLER-YES, YATES-YES, BOONE-YES, CHESHEWALLA-YES, CRUM-YES, ERWIN-YES

**MOTION PASSES:** 8-YES 0-NO

Motion was made to enter into Executive by **Councilman Yates** and seconded by **Councilman Crum**.

**VOTING:** T.REDCORN-YES, WALLER-YES, YATES-YES, BOONE-YES, CHESHEWALLA-YES, CRUM-YES, ERWIN-YES, K.RED CORN-YES

**MOTION PASSES:** 8-YES 0-NO

*(Entered into executive at 12:01)*

Motion was made to exit Executive by **Councilman Cheshewalla** and seconded by **Councilwoman Erwin**.

**VOTING:** WALLER-YES, YATES-YES, BOONE-YES, CHESHEWALLA-YES, CRUM-YES, ERWIN-YES, K.RED CORN-YES, T.REDCORN-ABSTAIN (Councilman Redcorn will be unavailable)

**MOTION PASSES:** 7-YES 0-NO 1-ABSTAIN

*(Came out of Executive at 2:00 PM)*

Chairman Waller said that Councilman Redcorn asked to move old business A and D to the December meeting.

**Meeting Minutes-**

August and September minutes. Councilman Crum will accept the meeting minutes, he only seen a few errors, but none that changed the meeting content.

Motion was made to accept meeting minutes by **Councilman Crum** and seconded by **Councilman Cheshewalla**.

**VOTING:** YATES-YES, BOONE-YES, CHESHEWALLA-YES, CRUM-YES, ERWIN-ABSTAIN, K.RED CORN-YES, WALLER-YES

**MOTION PASSES:** 6-YES 0-NO 1-ABSTAIN

**Committee Reports**

Kathryn RedCorn-2<sup>nd</sup> Council Resolutions-Sandra Jamison

Councilwoman Red Corn introduced Sandra Jamison. Sandra is going through the 2<sup>nd</sup> Council's resolutions for mistakes. Sandra went through some of her corrections with the Council. Sandra thinks that the Osage Minerals Council should look at these resolution and see how they were done. Councilwoman Red Corn came across this when she was doing some of her own research. Sandra said there were a lot of duplicates. Councilman Yates asks about archiving the 3<sup>rd</sup> Minerals Council's resolutions. Councilwoman Red Corn said that we need to hire someone to just do the corrections that the Council will approve. Councilwoman Boone said she thinks we do not need a new system. Councilwoman Boone thinks that the staff is capable of doing this. Councilwoman Boone asks Lacee if this is in her job descriptions. Lacee said she believes so. Lacee states to when we scanned the documents for Sandra we had went through them.

Motion was made to write Position Description for part time position to finish 2<sup>nd</sup> Osage Minerals Council resolutions by **Councilwoman Red Corn** and seconded by ***Councilman Crum***.

**VOTING:** BOONE-NO, CHESHEWALLA-ABSTAIN, CRUM-YES, ERWIN-YES, K. RED CORN-YES, T. REDCORN-ABSENT, WALLER-YES, YATES-YES

***MOTION PASSES:*** 5-YES 1-NO 1-ABSTAIN 1-ABSENT

Motion was made to adjourn by ***Councilwoman Boone*** and seconded by ***Councilwoman Erwin***.

**VOTING:** CHESHEWALLA-YES CRUM -YES, ERWIN-YES, K. RED CORN-YES, WALLER-YES , YATES-YES, BOONE-YES

***MOTION PASSES:*** 7- YES 0 - NO

(Adjourned at p.m.)

Minutes by: cr 