

**OSAGE MINERALS COUNCIL  
REGULAR MEETING  
OSAGE MINERALS COUNCIL CHAMBERS  
PAWHUSKA, OKLAHOMA  
APRIL 20, 2016  
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 and Eddy Red Eagle gave the opening prayers.

**Roll Call:**

Minerals Council Executive Administrative Assistant Lacey Reynolds called the roll. Osage Minerals Council Members present were Cynthia Boone, Joseph Cheshewalla, Galen Crum, Stephanie Erwin, Kathryn Red Corn, Talee Redcorn, Everett Waller and Andrew Yates. A quorum was declared.

No one signed the visitor's sheet.

**TRIBAL ACCOUNTANT REPORTS:**

Leslie Young was not present; however, her report was made available to the Council for review and questions. No comments or questions were presented.

**BIA REPORT:**

BIA Superintendent Robin Phillips said, "Yes, Good Morning. Today, Richard's going to provide the report." Mr. Winlock said, "There were 31 approvals, assignments were 65 approvals, lease terminations were 56, approved drilling permits were 12, approved workovers were 32, approved plugging permits were 2, we had, pending, we had 24 drilling permits pending, 12 dropping permits pending. We also had a *(unable to transcribe the remainder of the report due to paper rustling)*."

Councilman Crum was recognized and noted that on the pending drilling permits, he wanted to go through the list of data, there were several people waiting for their 30-day permit period. He asked if that were the ones pending. Deputy Superintendent said that they were. Councilman Crum further asked if those are the ones that are already done, but they are posted, and again the Deputy Superintendent agreed.

Councilwoman Erwin was recognized and said that there were 2,400 run purchase tickets reviewed and scanned. She asked if there is a "balance with the purchasing company and will they balance those out to make sure that we're getting the proper amount of money". He said that Accounting may ask him for a purchasing bid that the lessee sent in. She then said, "The run ticket," and then inquired, on the temps that are gauged, she was confused on the calculations and asked him what he meant by '48 calculations'. He said they pay whatever they gave, and start filming, and then they take whatever the purchaser picked up and gauged the ticket. She said that he gauged 56 tanks and he had only 48 calculations. He said that there may be a number of tanks they gave, during the month, and when they come back to get their bottom gauge, they have already turned that oil back into their tanks, therefore, they can't get it first on that tank. She said that this is better, but as she recalls, they used to do 80 of these a month, and only had four gaugers. She asked if he recalled that, and asked if he had been there that long. He said that he would have to go back and look at the numbers. She said to him, "You can't remember that, off the top of your head? I do, and all I used to do was just come to the Council meetings." She then asked, would he do a

lease inspection. She had asked for job descriptions, the tasks that they perform, and she didn't see it in here. Superintendent Phillips said that it had not been completed, yet.

The Superintendent asked to be excused, and Chairman Waller agreed; however, he was going to have to have her on the Old Business – APAC. The Council needs the element of the accounts of the CFRs. She said she would be right back.

Chairman Waller had mentioned that (Osage Nation Congress) Speaker Whitehorn asked to see how well the Council can do, as the Osage Nation Congress would like to be back in the room by 1:00 p.m.

#### **NEW BUSINESS:**

**BGI Resources, LLC:** Stephen McNamara representing the company, requests a two-year extension on BGI's concession agreement under Paragraph 13A, which was discussed last Friday. The agreement was dated May 17, 2006, Osage Tribal Council Resolution 31-1624. They are making the commitment to process the seismic data that had been shot immediately preceding the July, 2014 letter of the BIA Superintendent, and is still their request of the Minerals Council. In last Friday's meeting, there was discussion whether BGI would be willing to drill an additional well. BGI would prefer, at this time, not to make that commitment. The position that the company is that the wording of the concession is to be given additional time if there were Governmental action that would preclude them from having a drill in this intervening time. Now, they're in a position where they're being asked to make a commitment to drill a well, when oil prices are very low. In exchange for the extension, BGI would process the seismic data that has been shot, but they will make all of that available to the Council, including, not just the raw data, but their interpretation of the raw data. It was a point that someone on the Council had asked for, per Mr. McNamara, and would be happy to give that information to the Council.

Councilwoman Erwin asked, as she understood that BGI shot some seismic in 2014, how many wells they drilled, since then. The other representative at the meeting mentioned that they had drilled four since the beginning of 2014. Mr. McNamara said that they didn't drill any wells at July of 2014. Councilwoman Erwin asked, then, what the end date of their concession was, and he said February 17. Councilwoman Erwin went on to say that the July 2014 letter "pretty well nipped everything in the bud", and McNamara agreed. Chairman Waller summarized that that was the reason why they were there at the Council Chambers.

Councilman Redcorn asked, since they were interested in a two-year extension, could they talk about a one-year extension. Mr. McNamara agreed, but their feeling was he didn't want to come back in a year's time and ask for another extension. He agreed with some of the regulatory issues that were explained, but his thinking was, from the June 14 letter, until now, approximately two years. So, that was what he was gauging on. Councilman Redcorn wanted to shorten the time, in case things do not go, as the Council would like, as much as possible. So there is a timeframe that could be extend to – 18 months, and asked if that would be OK with Mr. McNamara. He said, if that was the will of the Council, then that would be alright.

Councilman Crum, being recognized, said that he was the one that brought up the drilling aspect, and wanted BGI to decide how many wells to drill. He said that they do not have any drilling permits at all, but just the ground, and shoot some seismic since this was at the end of the Osage Tribal Council days. Councilman Crum went on to say that the concessions that the Minerals Council has done, after that, all had drilling commitments yearly, and they had to do so many of them a year. He appreciated the idea of his giving the seismic data, except for the fact that even if he did give it, immediately, it's no value in terms of anybody else using it, because it's under a sloppy ground that they have. The Council has to have the data already, so the value of what the Council is getting for it. Not having any drilling commitment, Councilman Crum realizes that things were slowed down and held up by the regulatory environment of the last 1-1/2 to 2 years. Others have found a way to obtain permits and drill and he wondered if Performance might be able to give theirs an old concession if they agreed to it, but he didn't know whether they wanted to or not. He's hearing a fairly aggressive one by other companies. This one (BGI) has gone on a long time with no drilling commitment, whatsoever, and he understands that they, probably, tried to press forward

on their part. He's still reluctant to give two more years or even eighteen months with no commitment to drill a well on it.

Councilwoman Erwin, being recognized, said that she was going to basically ask him the same question of how many wells he had committed in the concession, and that's zero. Then the Council would ask you to put one well in there for a commitment, and he refused. She asked him, directly, is that he can't do that, right now. He, then, said, in the spirit of what they were requesting, that is right. But, the BGI concession, there have been 15 or more wells under this concession. It's not like they were holding land and not drilling. She then asked him how many of those wells are drilling. His representative said 33 wells. She said that they want to drill, though their reason for not making the commitment was because of low oil prices. Mr. McNamara said that they would bow to the will of the Council. This BGI land is in the far northwest portion of the county. In that area, there is going to have to be electricity brought in. If it's an oil well, they will have a pump with electricity, and that is extremely expensive for the prospect. There is the possibility in drilling disposal wells if they produce water. There are wells, and there are other wells. In this environment, the company could probably drill a well very close to the sister producing wells.

Councilman Redcorn asked him how many acres are being talked about. Mr. McNamara said 36,000 acres. He then asked him how many acres are currently being used. The representative said, currently, roughly 2,200 – 2,300 acres. Then, the Councilman asked what their 'pitch' to the Council was in locking it up for another two years, and the reasons why they should do it, especially technical reasons. He asked has there been any analysis on that, such as someone to interpret the seismic information, or do they do that, themselves. The representative said, no. Mr. McNamara said that if this expires in February, 2017, and they process that data, which takes six months and costs several hundred thousand dollars, then they have to attract the capital and they get an investor and then drill up prospects.

Councilman Redcorn asked, if Council could shorten the time, and there is a benefit for them to lock this in, and he sees the regulatory atmosphere that there might be some "hoops that you could get around", would that be what their pitch is. Mr. McNamara said that he doesn't have the time, between now and February, 2017, to process the seismic. Councilman Redcorn asked if they extend the contract for a year to better assess what is going on, out there. He, again, said, if that is the will of the Council.

Councilman Yates, being recognized, said he understands the economic situation that they're experiencing here. He wants something back, such as a drilling commitment or minimum, which would be nice. He's never seen it without something, whether it be a bonus or a commitment.

Councilwoman Erwin said that they shot the seismic in 2014, but that they have yet to have it gone over by Dr. Wilson. That is two years that they've had to go over that information, and they have no commitment to do this concession and to drill some wells early in February, 2014, and they didn't have any commitment to it. Mr. McNamara said if that's the will of the council to add the commitment, they'll yield to the will of the Council.

Chairman Waller asked how much production they have out there. The representative said all their wells were in production.

Councilman Redcorn, being recognized, said that there are some concerns as they do, in the oil field, in general. He would like for them to get a lease, but he doesn't know if they could get it. He doesn't know an auction they could go to, to get them. The last auction the Council had in September, 2014, and he doesn't know actually how many are operating. He doesn't think any of them are. He recommends that the Council does not give them an extension, and that they get to work and get the area working.

**Councilman Redcorn makes the motion that the Council gives an extension to the concession for a year that will expire February 17, 2018. Councilwoman Red Corn made the second.**

In discussion, Councilman Crum said there should be a commitment. In the past, something that Councilman Yates mentioned, is that all things the Council has done to help people out, taking some of their ground back, this concession was one done prior to the time of the Council doing the drilling permits, and that was a good deal and never complained about it and want them to be successful. However, if the Council did it on a yearly basis, there would be a drilling commitment of some kind, and if that went fine, there would be approval for a second year. In a way, it is giving it to them, giving them an opportunity to extend this concession. He asked them, in the last two years, did they apply for any permits to drill, or were they not able to get through the process. The representative said there were no drilling permits, only workover permits.

Chairman Waller asked how many wells there would be, and they answered one, the first year, and then two, the second year.

Councilman Redcorn said that "we're in the business to sell leases". This is our role as the Minerals Council. He's been dealing with the issues of trying to get the lease through the door, since he's been on the Council, and said that they wouldn't be out there unless they thought there was some potential out there, and that they have convinced him of that. They have the right people involved, as they have Dr. Wilson, and the Council has seen a lot of her work in the Oil and Gas Summits, so their team is looking pretty good.

Councilman Redcorn called for the question.

Councilwoman Erwin was recognized and said that she agreed, but they need to give up some acreage, "as the 23,700 acres that is sitting out there with nothing be done with it", there needs to be one well out there the first year, two wells on the second year. Everyone else has to commit to the Council. "We've been giving up a lot, lately." The Council has their shareholders to consider, here.

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

**Orion:** Mr. McNamara representing Orion, said that their position is different than BGI, in that it does not have a concession any longer because it pulled down all of its leases under their concession and made \$2.49 million, which was \$150 an acre. It holds approximately 14,000 acres now, under those leases which are expiring. The discussion that was held on Friday (April 15), was that they would give back ground and give back dirt. We would like to throw all of the leases voluntarily terminating the existing leases of different dates that are expiring. The last expiration date is March, 2017, which is less than a year, now. They would like to do a 2-for-1 exchange, so that they would give up all of the leases, voluntarily, in the next several weeks. We are requesting a lease term that will cover one-half of the acreage to be selected by Orion, and keep the same 1/5<sup>th</sup> royalty rate.

Councilman Crum, being recognized, said that he wanted to understand what Mr. McNamara was requesting, in that he would select, in the near future, those which he would wish to keep, and then voluntarily release the others now, so "we would get those back, available for others to lease, immediately." With Mr. McNamara agreeing with that, Councilman Crum said that that was important to him. He liked what he was asking, and, given that the regulatory and legal environment that concern the leases, and that they paid top dollar for them, he was for this request.

Chairman Waller said, just to concur with Councilman Crum, that's not the only person to talk about seismic that the Council is going to be basing now.

Councilman Redcorn, being recognized, said that he liked what Orion submitted last week. He had a follow up comment in the area that this is on one of the biggest sandstone reserves in the Americas. This has a lot of potential for the Osages. He gave a talk on the potential of that field out there, just yesterday (Tuesday), at Oklahoma State University. In following up, he said to Councilman Crum that the Council has

to protect this area out there for production. That is the reason the Council pushed their attorney to continue the process to keep that activity down, especially in this area, because it knocks out all the seismic. There is a lot of opportunity in this area, because there is a lot of trapped oil there, he thinks Chaparral is approving over and over. Even in a difficult atmosphere over there producing, and numbers are going up over there. So, as a follow up what Councilman Crum said, they are very concerned about the windfarm activities out there, and how it is going to play out, financially, for the Osage headright holders. Whenever someone is ready, that is his comments. He appreciated his coming in and also, he appreciates him "standing up for us in the law process to try to minimize that". Mr. McNamara replied by stating that "the oil producers are, truly, your friends and will remain so".

Councilwoman Erwin, being recognized, asked how many leases do they have now, and Mr. McNamara said about 14,000 acres. She then asked what the total production is, and he said less than 30 barrels a day. Five to seven horizontal Mississippi wells drilled in a very short period of time, and the results were poor. Councilwoman Erwin wanted to understand that they have 14,000 acres and wanting to half that. Mr. McNamara said the main reason to revise the proposal was due to Orion not being in the financial position to bring cash money and drill a well. "Your word is your bond. If you say you will drill a well, that's several hundred thousand dollars per vertical well."

Councilman Redcorn said that that is why he appreciated the other company coming in with a different mindset on how they can accomplish gathering to extending their operation without commitments of any capital from the outside. He thinks the Council needs to consider these options as well. The financial institutions – the Council has heard that over and over. He has also resonated the same concept that it is a difficult time to back up these leases with the operations going on in the BIA. The Council appreciates their creativity.

**Councilman Crum, being recognized, made the motion that the Council accepts the proposal and that they get brand new leases for half those not there now, and they give back the others with an immediate termination on those leases, and the others be granted the standard two-year lease. Councilman Redcorn 2<sup>nd</sup>.**

Chairman Waller called for the question.

**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**

**Motion by Councilman Crum to go into Executive Session, 2<sup>nd</sup> by Councilwoman Erwin.**

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

## **EXECUTIVE SESSION**

**There was no motion to come out of session.** After the Executive Session, Chairman Waller asked if there were any motions at this time.

Councilman Red Corn announced that there is a situation of need in the Council's administrative office. There was a proposal, last Friday, with a contract from a gentleman, Lou Brock, proposing this. After discussion, the Council believes they have a full-time position available, and that **Councilman Redcorn made the motion that the Council move aside the contract, and bring Lou Brock on as an emergency hire. The Council wants this emergency hire be further checked for the process, with the Human Resources Department, to ensure that that the Council follows their protocol on hiring and getting someone in, on an emergency basis.** Councilman Redcorn also feels the need is very dire. The Council

needs to get their website going, which Mr. Brock has proposed to do. Though the website is up, Councilman Redcorn thinks, with Mr. Brock's experience, the Council can expedite that process. **Councilman Crum 2<sup>nd</sup> the motion, with a clarification that the Osage Minerals Council is hiring him with the position with all the things (duties) that go along with that, other than what he might do in the emergency position. Councilman Red Corn approved the addition of what Councilman Crum added.**

After no further discussion, Chairman Waller called for the question.

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

Councilman Crum was recognized and said that he would like to put in the agenda for next month that the Council talk about a policy in how they handle and address our personnel assignments and disciplinary action, so they will avoid employees feeling like they're in a hostile work environment. Councilman Crum went on to say that the Council has talked about it, but he believes we need to talk about it more, in full, in Executive, next session.

Chairman Waller asked Councilman Crum if it would be alright to be added to the Friday session (May 13), and Councilman Crum agreed that's what it should be. He would like a policy to be developed to deal with those problems in Executive Session.

Chairman Waller called on Councilwoman Erwin to call the Council's lawyer, Mr. Fredericks, regarding the Hayes case for an update of auctions which is the Council has already reviewed and she will get back to the Council anything that he comes up with. Councilwoman Erwin agreed, and will email him. As the emails come back and forth, the Council will be notified immediately.

#### **Old Business:**

**Wellco:** Mr. Stan DeLong was asked to come forward by the Chairman, who also asked the Council if the lease was terminated as of today (April 20, 2016). After hearing a 'yes', Chairman Waller asked if they would be allowed to do a resolution, and wanted to entertain a motion that we give him the two-year term. The Council has heard this gentleman tell them everything. He paid "way over our fee" to nominate this lease, and won the bids on two leases. **Councilwoman Boone was recognized and made the motion, because of all the red tape. 2<sup>nd</sup> by Councilwoman Erwin.** Regarding discussion, it was restated that the leases have been terminated, and the Council will work out something like a bonus – monetary element mentioned by Chairman Waller. The Councilman disagreed with the non-payment. Chairman Waller then asked Mr. DeLong if he would take a minimum. Mr. DeLong said that he would take either a minimum or a reduced rate of one year six months later, have everything in place. He asked how long it would take to get to the Bureau (BIA), because they want to drill another well, first, so it will be awhile. Councilwoman Erwin said that he's been diligent about trying to get this done and that he cannot "jump through all the hoops". She went on to say that "She's (BIA Superintendent) cost us with that lost production here, and we need to get our production back up." Councilman Yates was recognized, and said that he hated to set a precedence. Councilman Crum was recognized, and said that he would go for the deal. He would like to check on submitting his letter waiving his appeal period, and until that is done, the BIA Superintendent will not be able to process it. Chairman Waller mentioned that that addendum will be added to the motion, and it has to be there to enact the resolution for the new leases. Years ago, it was good to go, but these are different days and times.

BIA Superintendent was recognized, and she didn't ask for her environmental group to do a timeline, so they could see actually how long it took the Bureau. Form 139, an EPD questionnaire was date-stamped and received by the Osage Agency on March 5, 2015. They notified the lessee that the APB surveyors

needed to have a survey done, a site visit conducted by the lessee at the project site was April 24. The APB presence surveys were not received by the Agency until October 29, 2015. The archaeologist did his work November 18, 2015. Formal consultation came in November 23 and was completed on December 29, 2015. The draft drilling permit was moved to Lakewood February 5, 2016, and the EA was approved March 2. The drilling permits were actually approved April 5, 2016. Chairman Waller asked the Superintendent if the Minerals Council had a copy of that. She said that they do not, as she received it this morning (April 20). The Chairman asked if she would send them a copy, and she said that she would prepare a letter.

Councilman Redcorn thanked the BIA Superintendent for that report, and mentioned to Mr. DeLong that they had a conversation outside, earlier, about his perception of the ability to get these leases out quickly, and asked what his experience, previous to a lot of this that didn't come out as recently, and his experience in other areas in Oklahoma that he is doing in current activity. Mr. DeLong said that if he is relating to times past, on drilling, this is his 16<sup>th</sup> year. When it started, it took a week or two to get a permit, and it has gradually gotten worse for his company. As far as drilling elsewhere, he liked coming to the Osage, the way that things were done. They did a lease and didn't fight people over the bid, but at that point on, everything is wonderful, and he can take care of his business and he doesn't get in trouble very often with the BIA. It has become very difficult to justify all that money, and they can't get it back, especially for that year and a half. He wanted to ask the Superintendent what core session was that. The Superintendent said that it was on the NW1/4, Sec. 4-22-11. She went on to say that it looks like the office records were not received by them until March 5, 2015. The beetle study has to be done and didn't receive it until October 29, 2015. Everything was done by April 5, 2016. On the Roof 1, the records reflect that they did not get the Form 139 on the questionnaire until March 5, 2015. They asked for the sample of the ESPCC plan from the lessee and got it on September 28. The letter to the lessee was sent by the Agency requesting additional information on January 21, 2016. They received the information by the lessee on February 4. The BIA sent the drilling permit February 5, the EA was approved February 17, 2016 and the drilling permit approved March 23, 2016.

Councilman Redcorn, being recognized, reviewed by saying it has been a little over a year, and the Superintendent had heard his comment – two weeks, which was his previous experience, and that is his thoughts on the administrative delivery of the United States on effectively, or ineffectively pushing through with the environmental aspect. So, that is why, first, he thinks the Bureau needs to go back to work and try to figure out a process that circumvents all these steps that have been instituted by the BIA, and the Council needs to eliminate some steps that are not based on Federal Law, and not based on any of the lawsuits that “we won”. Secondly, he challenges the Minerals Council, again, that they ask their attorney to relook at the EIS, and that they pull back and ask that the Bureau quit treating our Mineral Estate property in a fashion like Yellowstone National Park or any other publicly-owned land, which decisions have been made and that is why they're hearing of the BLM, or other acronyms that are not existing in the Osage, and get our attorney back on communication and get that MOU, and want to pull back on the EIS. He further said that “we” want to institute ownership of the Headright, the Osage Mineral Estate, to the Headright Holders. Those should be in our Memorandum of Understanding to the United States.

Councilwoman Erwin wanted to verify, so that she understood it, that Mr. DeLong going to get new leases on these wells, because they're getting ready to terminate or have already terminated. She asked if they are going to have to go through this whole process again. Mr. DeLong said that they would not have to do so, and the Superintendent confirmed that, and that “the leases and the players remain the same”.

The question was then called.

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

Chairman Waller said that it will be placed on the agenda for Friday for the resolution, the attachment of the release of the 30-day grace period, and will be ready for Mr. DeLong in the morning (Thursday, April 21).

BIA Superintendent made a final comment that the permits are issued for two years, and it is not the lease. Chairman Waller said that the lease is for two years and is not worried.

**APAC:** Chairman Waller would like to have a clarification from the Bureau of Indian Affairs over the CFR law on the percentage on the new contract. That's a concern to APAC, themselves, which the Council has discussed. The Superintendent was recognized, and she said that 25 CFR 214 has not changed, and it stayed the same for a long time. 214.10 deals with royalty rates, and in there, it talks about ten per cent. She goes to the book and reads, *"For substances other than gold, silver, copper, lead, zinc, coal and asphalt, the lessee shall pay, quarterly, a royalty of ten per cent of the value of the nearest shipping point of all ores, metals and minerals marketed."* Chairman Waller said that they have already done some permitting at that rate. He asked the Superintendent to clarify that all the contracts on behalf of our Osage shareholders that everyone is on a level playing field, and that everyone should pay the same.

Councilman Redcorn was recognized and said that he would like the Council to instruct Councilwoman Erwin to communicate Mr. Fredericks on a different matter. He would like her to ask him to review this specific regulation and have him provide his comment on the recent case in August 10, 2015, when the Osage Minerals Council and the Osage shareholders have the right to establish value of their asset.

Chairman Waller entertained a motion that his contract has been out since October 15, and was negotiated at 54 cents (\$0.54). Councilman Redcorn was recognized and asked Tom Huckabee what the comments were on what they are standing on, and what he has heard from the Superintendent and what his comments are, going forward. Mr. Huckabee replied that the ten per cent is not representative across the country that way, but if the Council says, ten per cent, we will pay ten per cent. His question is what the fair market value is, and what determines that, is it each quarter or annually. Chairman Waller asked him how long APAC has had that, and he replied that he bought it in 2008. Chairman Waller followed up by asking how long Belco had it. Mr. Huckabee said he couldn't remember the date, and Chairman Waller said it had been a very long time, and Mr. Huckabee agreed. Councilman Crum, being recognized, said, regarding how you determine the rate, that, in the past, what the Council called 'fair market value', in what he was selling for. He asked how his accounting will be, if this is passed by the Council, will it add ten per cent of each one of your prices, or will he need something different to make it work. He replied that he paid a percentage of ASP or 'average selling price'. **Councilman Crum made the motion that the Council follow the CFRs and these ten per cent of the market value, just like the CFRs say, but that the Council allow Mr. Huckabee to come back and meet with the BIA, and figure out the best way to figure that price, and that the Council talk about that, at a future date, and the Superintendent agrees. Councilwoman Erwin 2<sup>nd</sup>.**

In discussion, Councilman Redcorn says that he has a concern. Regarding sovereignty, "if you don't exercise your sovereignty, you lose it". The Osage headright holders have been given the right to determine the value of their asset. So, he finds it "a little bit troubling that we're still doing the old stuff", the United States is telling us what his value is going to be, so he would like to hear back from the Council's attorney on this concept, that it's not so much they're talking about the percentage, because he is hearing Mr. Huckabee agree to it. His question is the Superintendent telling the headright holders, against the case "we won" in August 10, 2015 that they're telling the value of their asset. He would like clarification from the Council's attorney they just witnessed. Superintendent was recognized and said that she utilizes 25 CFR 214, as this is what the regulations say, but it does not keep the Minerals Council from asking for more. Councilman Redcorn said that they dropped that notion in last August 10's ruling, so that was the premise of Neg-Reg and they found certain areas where it may not be beneficial to the Osage headright holders, so what he is witnessing is 'as business, as usual', and that they witness this process just now. Chairman

Waller asked if this is under the five-year contract that they negotiated, last time. Mr. Huckabee said that it was a one-year permit, but would review it again in five years. He also said that since they were the ones that held this up by their actions, there will be no retroactive payments.

Chairman Waller called for the question.

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

#### **COMMITTEE REPORTS:**

**1906 Act:** Councilwoman Erwin wanted to make a statement that, "This bill, ONCA 16-30, is an invasion of our Executive Sessions, by the Osage Nation Congress. I would like to give kudos to those who voted against it – John Maker, Jim Norris and RJ Walker, who were actually standing up for us. It is my understanding that John Maker actually spoke – I have high regards for him – because he did speak out against this, and since then, it's been sent over to the Executive, and they've vetoed it. So I don't know when it will be back, now. I did want to say that John Maker, Jimmy Norris and RJ Walker voted against it, and I appreciate that."

Councilman Cheshewalla said that the Council has been contacted by the National Chilocco Association, wanting them to continue their sponsorship to their National Chilocco Alumni Reunion Powwow. It will be held Friday, May 27, 2016 at the Chilocco and First Council Casino Events Center. It is their homecoming celebration and their main focus is to honor the 545<sup>th</sup> Division, which there are many Osage boys that were members, so **Councilman Cheshewalla made a motion to continue the sponsorship, and make a donation of \$500, from C-395 account, to the Chilocco Indian School Alumni, 2<sup>nd</sup> by Councilwoman Boone.**


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

**Motion to adjourn by Councilwoman Erwin, 2<sup>nd</sup> by Councilman Yates.**

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

Chairman Waller closed the meeting by sending his brother a happy birthday, wherever he is.

**Adjournment – 12:45 p.m.**

  
Chairman

Attest:

  
Executive Administrative Assistant