

**OSAGE MINERALS COUNCIL
REGULAR MEETING
OSAGE COUNCIL CHAMBERS
PAWHUSKA, OKLAHOMA
OCTOBER 14, 2016
MINUTES**

CALL TO ORDER

Chairman Everett Waller called the meeting of the Osage Minerals Council to order at 10:00 A.M. He also mentioned that Councilman Andrew Yates went to the hospital on Tuesday, and did a heart surgery. Prayers are for him, and for us to think about his family.

OPENING PRAYER

Councilman Talee Redcorn gave the opening prayer and read the List of Deceased Osages.

ROLL CALL

Osage 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. Andrew Yates was absent. A quorum was declared.

Visitors signed in were Mary Carter, Christy Red Eagle, Eli Red Eagle, Rhonda C. Wallace, Donnie Wachtman, Myron F. Red Eagle, Louise Red Corn, Florence Bigheart-Tranum, Janel Perry – FTO, Joy Ledbetter – TAA, Randy Lawson – LAWCO, Aaron Lawson – LAWCO, Scott DuCharme, Don Williams, Beverly Brownfield, Nona Roach, Skip Honeyman, R. E. Yarbrough and Rosemary Wood.

NEW BUSINESS

Conflict of Interest / Water Issues: Stephanie Erwin

COUNCILWOMAN ERWIN: We have a conflict of interest. I am putting it on the agenda today, so that we might take it and put it in Executive Session for Wednesday.

CHAIRMAN WALLER: We'll make it so. You have Item B – Water Issues.

COUNCILWOMAN ERWIN: OK. Same thing. A lot of issues. I'd like to bring it up and discuss it, but I'd like to have it in Executive Session on Wednesday.

CHAIRMAN WALLER: That'd be fine. Is there anything you'd like to add?

COUNCILWOMAN ERWIN: No, it's just that we've had some things come out, and we need to discuss it.

CHAIRMAN WALLER: No, I had planned Executive having Lawco and some housekeeping for us on our personnel in an email I had sent to you. Is that fine with everyone? These will go for Wednesday. Does everyone agree with that?

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Performance: Scott DuCharme

SCOTT DUCHARME: Good morning, everybody.

CHAIRMAN WALLER: Morning.

SCOTT DUCHARME: I'm here today as operator of the Spyglass concession. I wanted to, first copy I'm going to hand out was the actual resolution that we did in the late spring. It's simply a list of – So, when I became part of this, the first thing we did was try to get the \$64,000 paid, which was for last year. We were able to do that. Took a bit of time. We converted, the first thing we did, is that we immediately began the conversion of 21 leases, which were a part of our move towards the work that we were going to do for you in 2016, which is drill four vertical wells. We completed the staking and surveys for what we couldn't start until September 16th, because it took that long to actually receive the leases. The landowners are being quite difficult at this moment. Without the leases, we can't do anything. No American beetle studies. Now, before the temperature expired, we snuck in and we did all the beetle studies. I've got eleven wells staked, which is everything for both this year and next, lacking two, because I owe you nine wells, next year, and four wells, this year to drill vertical wells. That's what we've committed to drill. I've got eleven. Unfortunately for me, I've got two positive American burying beetles tests up there, and I've got two negatives. So, Ben and I are learning how to buy credits. This is Ben's first time, as well as mine, so the BIA and I are working through this. We've actually split the environmental. Andy Minnick is working on the environmental assessment works now, because we've got the beetle studies done. The archaeology studies are done. We've gotten with the landowners, so we've got the four wells that we owe you for this year. Two of them are positive, two of them are negative. So, my primary purpose here, today, I wanted to update you with where we were on the things we told you we were going to do, and then chat a little bit about these four wells that I owe you, this year. So, we've agreed to buy five acres at \$12,500/acre from the bank, the credit bank. Unfortunately, it's going to be about \$65,000 to buy those credits, so that we can drill these two wells, plus, the roads, plus everything that goes with it. Kinda goes back into a credit bank. If you have some part of maybe the new 43,000 acres, I'm not sure where to do it, but you could either lower that price to us, or it would be your money. Irregardless, that money should stay in Osage County.

CHAIRMAN WALLER: That's correct, and anywhere it's not rocky, we could put one in. We'll see what they come up with.

SCOTT DUCHARME: Yeah, and again, Andy could help guide us all with those conversations and things. But, because I've got four wells committed to do, I've got to buy those credits, and included it in my AFEs, so that we could continue moving along.

CHAIRMAN WALLER: Sir, you said, \$12,000 – how much?

SCOTT DUCHARME: \$12,500 per one-acre credit.

CHAIRMAN WALLER: Thank you.

SCOTT DUCHARME: And because it is considered, for whatever reason, prime beetle habitat, this positive data, they're supposed to be extinct, but they happen to be there, I've got to buy two-for-one and we're actually going to do these in a way where we're going to set casing. We're going to do this, so the smallest amount of damage we could possibly do. But it still requires us to buy five acres, five credits at \$12,500 per credit.

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CHAIRMAN WALLER: And, why didn't we ever expand the site, itself, to encompass this credit amount acreage, at another dividend of some kind?

SCOTT DUCHARME: Actually, and this is the difficult part, Fish and Wildlife, one point in time, under 1.2 acres, which I can do. I'm staying under 1.2 acres. There should be no credit, whatsoever, involved, but the Fish and Wildlife just won't rule for Ben. So, Ben's got how to ask us to either get a negative test or fire up.

CHAIRMAN WALLER: Thank you, sir.

SCOTT DUCHARME: So, I've completed the studies, the archaeology studies, we began talking to the landowners. We've got those things done. We've got the credits in line. I've got Eddie Manning, who's working on the Environmental Assessment work for two different environmental assessments. Two negatives, two positives. We're hoping to have the two negatives done by Wednesday or Friday of next week, the 26th of October. With that being said, I may be ready by the 15th of December to drill two on the negative site. That is concerned, and that's why we're here today to ask for a six-month extension on those four wells so that we don't give up all the momentum we've done. I just haven't been able to get there. I don't want to change anything. As a matter of fact, Mr. Retter, who is the Chairman of Spyglass will be here Wednesday and is going to pay the \$64,000 that's due this year on Wednesday. So, we're going to continue, and I've got a letter in my package, which I'll pass out in a moment, which pays the \$64,000, which is this year's deal. We're still going to drill more wells. It's just that Ben and I working together are a bit afraid we're not going to make it by the end of this year, which is the commitment to drill the four wells. We'll do them just as absolutely quickly as we can. But, we're asking for a six-month extension to that, and no extension on next year's nine, because I'm already there. I've got a negative test in that area, out there. So, I don't have to change another thing in this agreement. It's just because of everything I'm doing, I can't quite get them done, and we're being extremely careful with the landowners in everything we do to make sure we're not violating any of the covenants. So, we made the 2016 payment of \$64,000, which is really in 2015, which is part of the agreement. Because we finally got the leases we've got done, and our permits done, we've got three reworks already underway on three of the old wells. We just started out on Monday. Mike Mackey's already got all three wells laid out. We're fracking today, as a matter of fact. We hope to have 50 to 70 barrels a day of production on very shortly, and there's been nothing on this since we've been a part of this. There's been no production out there. So, we are done, and Steve will share with you the seismic. We've hired a land crew to go out. We'll have the permits done this year, according to this plan...

CHAIRMAN WALLER: 3-D seismic?

SCOTT DUCHARME: Yeah. 3-D seismic on 20 square miles, which is going to be the Highway 60, or the south end of this where they feel they're calling it the Highway 60 corridor. So, we're still going to have that permit done this year, and the 20 square miles surveyed next year. All that's exactly under way, so everything we've told you that we'll do in the spring we're doing. I just ran into the beetle and Ben and I just can't solve the problem in a timely fashion. The only thing I'm asking for, and I've prepared the resolution (*resolution passed out*). So, I came prepared. The first page there is a proposed resolution for the Council. Again, it changes nothing, and really adds six months that we're asking to make sure we get those drilled. The third addendum to the lease acquisition and exploration, we just prepared that also, and the last page is the letter that Steve Bernard has prepared to pay \$64,000. He's going to come up to the Agency on Tuesday and make that payment. So, last year we were a little late. This year, we'll be a little early. So, I prepared all that for you, too.

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CHAIRMAN WALLER: Thank you. Councilman.

COUNCILMAN CRUM: I have no questions, but I thank him for coming in a timely fashion and letting us deal with this, instead of coming up to the end, and I agree that it's wise to go ahead and extend for all four wells for six months, because I don't want him in January to come back, or December, and say my wells won't get drilled until January 15th. You think you might be able to get them by December, but...

SCOTT DUCHARME: Well, if it's raining

COUNCILMAN CRUM: So, you think it'd be wise to move *(unable to understand two conversations at the same time)*.

SCOTT DUCHARME: The biggest thing is laying on the relations. I'll fix it, I always do, but we're trying to reshape... Spyglass has had some difficulty with landowners out there, and we're really working hard with all these people with every single thing they needed that didn't get done, we're doing it. We've got roads, we've got gravel, and we're fixing it all, and I just don't know...

COUNCILMAN CRUM: I think it's wise to go ahead and do all four of them there, and I appreciate the work you've put in on them, and to pay...

SCOTT DUCHARME: Absolutely. We want to show good faith in what we're doing. We're going to do more leasing. We think these four, we pick them by seismic. We think we've got perfect wells and we're very excited about it, and the next nine are all coming from seismic in concluding with what we're doing. So, we should be right behind, next year, with all the work, and I shouldn't be back to worry about next year's nine wells. So, really, we're looking at 13 wells that we think we've got in sight over the next twelve months. Yes, sir.

CHAIRMAN WALLER: Councilman.

COUNCILMAN REDCORN: Thank you, Chairman. I think this is great. I appreciate you sticking with the situation and kind of taking the lead on a very good coalbed opportunity, I assume, based on what you're dealing with, trying to get where you want to go. So, I'm assuming that you're telling me with the seismic and all the analysis you've done, this thing's worth the added headache. Seems like that's what's going on.

SCOTT DUCHARME: These roads are two miles in the middle of nowhere. That's why we had to buy so much beetle credits.

COUNCILMAN REDCORN: Right.

SCOTT DUCHARME: Because of where they're located, that's where the seismic says to go drill. So, that's what you've got to do.

COUNCILMAN REDCORN: I'm in favor of this, because, #1, I want to see more activity. We're losing 1,400 barrels a day. I want to get active and try and get those back from last year, so we appreciate that. The other thing is, I'm going to jump all the way down to 7A (Oil & Gas Summit Report), I've got Oil & Gas Summit coming up, but I want to ask if you might want to consider showcasing what you're dealing with out there. Our summit is on December 7th.

SCOTT DUCHARME: We don't want to say anything tough about landowners, do we?

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COUNCILMAN REDCORN: No, I just want to see the positives. I mean, there's a lot of negative, but I think the landscape is what it is.

SCOTT DUCHARME: Yes, sir.

COUNCILMAN REDCORN: So, we want to track that kind of activity here. Because it's going to be a different game now. We've got to embrace it. We are going to, but I think your additional effort to work with Mr. Daniels and the Bureau is kind of where we need to be focusing a lot of our efforts.

SCOTT DUCHARME: I'll be glad to help. Sure. We're going to beat this NEPA thing, folks. We've just got to get in there and do it, because we are not endangering the environment. In the end, that's what this is all about, and we just got to show, and we will.

COUNCILMAN REDCORN: We've been given feedback from some on the summit to forget about the summit, but this Council's decided to move forward with the summit. We have got somebody lined up, trying to get us through this year. But I want to try and change this negative picture to something positive. We want that kind of activity that's able to get in there and roll up their sleeves with the Bureau. Roll up their sleeves with what's going on in Osage County, the beetle bug thing. We're trying to eliminate those to see if we can. We're working diligently, so if you're able to do that, we'd like to see more folks like this out in Osage County.

SCOTT DUCHARME: I'd be happy to help whatever I can do. I will be glad to help.

CHAIRMAN WALLER: Thank you very much. We're going to have a National event with US-EITI on a web page out of Washington, D.C. I think what we'll do is give pieces of this and put it in there. What these other tribes want to see from us is how do we weather this over and over. It's a preparation. I told them we're a tough group, down here. So, with that, we have some great producers. We can't tell you that enough. You and I met in 1979. We appreciate you. Thank you all. Council, would you like to add anything? We'll be ready Wednesday, sir.

Lease Auction: Galen Crum

COUNCILMAN CRUM: It kind of falls in with what Councilman Redcorn said. I think it's time for us to start doing business as usual and it doesn't mean that we have to have a huge lease auction, but we've been doing a fair amount of leases that people don't even know we're doing. If we have our auction and have it be a successful auction, well, it'll show what we're doing. We did 17 leases last month, you know. One of the gentlemen that prompted me to bring this up last month said, 'Why don't you have your lease auction? I'd rather do that than come in here and ask you guys for those leases, if you've got them'. I said, 'Well, most of us want that.' But, what we have to do is to set a date, and then go with it. Past experience, and we have new people that have never actually done a lease auction for us with the Superintendent. In the past, it took them a fair amount of time, after the nominations were in, we have to give a timeframe for nominations to come and to advertise it, and then the next piece is for those who are nominated, then the BIA has to go through and make sure they're eligible to be used, because in the past we found that wasn't always the case. All this takes some time.

DEPUTY SUPERINTENDENT WINLOCK: Three-month process.

COUNCILMAN CRUM: I'm thinking what you're saying, Councilman. I wondered if we set a date for late January or the 1st of February. We set a date, we pick it, we start our advertisement. One of the things we

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did in the past is put in some advertisements in the S-510 account, put some advertisements in trade magazines, trade papers, and then BIA posts it and puts it out, also. We put it in there, and we decide how big a venue, how big to do that one, after we figure out how many we got in to prepare a spot. I think it would be a good idea to check with the Cultural Center and find a date. When we find a date that will work out there, if we have a full-fledged one. For years, they did them here all the time.

CHAIRMAN WALLER: The museum.

COUNCILMAN CRUM: I would suggest fix a date or pick a timeframe and then look at things to pick the actual date, and we have a way to go to press of next week on Wednesday, we set a date for it.

CHAIRMAN WALLER: Yes, sir. Councilwoman Erwin.

COUNCILWOMAN ERWIN: I have a question for the Superintendent. Do we have a list of eligible leases?

SUPERINTENDENT PHILLIPS: What I can do, is that I can see about getting a report off of TAAMS, generated off of TAAMS, to identify what tracks are not held by a lease, right now.

COUNCILWOMAN ERWIN: I know we've had a lot of them terminated.

SUPERINTENDENT PHILLIPS: Yes. We've been terminating them. So, we can do that for you.

CHAIRMAN WALLER: Council.

COUNCILMAN REDCORN: Going back, appreciate it, Chairman. I, too, would like to see an auction. One time when Mr. Hughlett was in our office, we tasked him to identify potential opportunities. Maybe this Council could consider that. We've got monies in our consulting line item to look for someone to help identify, maybe work with the Bureau and identify some opportunities. I think that worked out pretty well. Also, the second thing I wanted to say is that if we start getting some proposed locations would be OK with the Bureau. If they started the environmental process early when they start setting up a piece of property for lease, can we start maybe getting the EPA's stuff going at that time? That way, when the lease comes around, we're ahead of the game and would be kind of a carrot to some of the people out there interested in these properties.

CHAIRMAN WALLER: Thank you. Superintendent, then Councilman Crum.

SUPERINTENDENT PHILLIPS: Remember, that we do have the programmatic EA for leasing, so I believe we're going to be able to approve leases using that programmatic environmental assessment.

COUNCILMAN REDCORN: So, if there's anything on the beetle bug or any other issues, we won't know until that lease is approved, and then that starts going?

SUPERINTENDENT PHILLIPS: Basically, they will do the ABB study when they are wanting to drill a well.

COUNCILMAN REDCORN: OK.

SUPERINTENDENT PHILLIPS: And, processing a lease sale, and approving a lease would utilize the programmatic EA for me to approve that document. Individuals, companies who are wanting to come in and drill wells will have to meet the environmental requirement of an environmental assessment, study and so forth. I don't believe we'll be able to do anything there.

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COUNCILMAN REDCORN: OK. Thank you.

CHAIRMAN WALLER: Thank you, sir. Yes, Councilman.

COUNCILMAN CRUM: That did bring up a thing that I've been thinking on for a while. It would be possible on this lease sale. But, as some of you may know, the Nation, ENR Department, has actually been looking at beetle situation out on the newly acquired ground and considering doing some sort of mitigation back out there. Conversations with Fish and Wildlife is shown where mitigating our own area, mitigating from there to the rest of Osage County, there's far less hoops to jump through, then if you're doing the Nationwide mitigation backs. Assuming that action goes forward, and this is a little 'pie in the sky' in my eye, but you get things happening again by thinking about it being different for the future. One of those things that I thought of we might be able to do, if that comes to fruition, is that a future auction that the Minerals Council would perhaps guarantee beetle access, they have to do the study, and the only ones that need it, if they need it, the Minerals Council, through the Nation, through that mitigation deal would guarantee the ones that are in the auction, or mitigated in. Several things have to happen, but I'd be hoping – a year ago, I thought that this would be in place, when I started working on some of this stuff. Now, we're going to take it a little further out, but I think it could happen.

CHAIRMAN WALLER: You had me all the way until that 'guarantee' part. Everything else I agree with.

COUNCILMAN CRUM: No, even before we reduce, we want first...

CHAIRMAN WALLER: That'll be fine.

COUNCILMAN CRUM: ...perhaps from the Nation, and I'm hoping that'd be a very small price we purchase from the Nation.

COUNCILMAN REDCORN: I think that's what I'm driving with in the conversation with you. We're going to have an auction. I like it. We need a carrot to throw out there that we're going to do something out in front, possibly the beetle stuff, working with the Nation on that acreage out there. It'd be a nice thing to put out there to help our auction.

COUNCILMAN CRUM: I agree. That's what I was talking about. Just a goal to set at, and the pieces are there, if they fall into place to make it.

COUNCILMAN REDCORN: I guess reading back your comments, you don't think we can do this by January or February?

COUNCILMAN CRUM: No, because the Nation is not established in any kind of way, mitigation program, yet, and with that land, and so it would have to be their first before we could guarantee.

COUNCILMAN REDCORN: I did hear at the last summit that the Nation's program is better than the Federal program handling the beetle stuff.

COUNCILMAN CRUM: Doing the studies?

COUNCILMAN REDCORN: They are a lot better equipped. Their knowledge is better than the Federal folks that are doing the same thing. So, it's an encouragement to go ahead and push forward tribal activity

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oversight up high on beetle. So, I'm hoping that you are correct, Mr. Crum, that maybe we could roll this thing out faster than what we had envisioned. They're already working on it.

COUNCILMAN CRUM: There are several moving parts in this that we run into. There's thinking and talking about it. The fact is that land out there has a government entity of its own that will have to be brought into the idea of doing mitigation out there's good. There was, prior to this even happening, ENR had put in for a grant to do beetle studies last summer out there. That was actually held up by the purchase because of uncertainty about who was in charge of the thing. They were able to do some at the very end of the season. So, they did get some work out there, and I think that grant is still good for next year, so they can start at that time proving that there's a beetle habitat out there, so that you can say you're doing mitigation in an area where beetles could survive. So, there's several moving parts that have to happen. I think that Fish and Wildlife is on board for it, at least the concept and there is definite interest within the Nation to do that. I'm 'pie-in-the-sky' with this one, but I just want to throw that out there. There's a possibility to be able to do some things.

COUNCILMAN REDCORN: Just a follow up comment, if that's OK, Chairman. We have an auction in January or February. We're probably talking months before beetle activity happens. So, we're probably talking late spring that things would roll out. I would like, if we do the auction, to keep that avenue open. If you're on the ball on that, if you could communicate that with the Nation and say, look, we're interested.

COUNCILMAN CRUM: I've been working on this beetle thing since about the second year I was in here, that I heard about it.

COUNCILMAN REDCORN: I would like to ask some of the producers out here, if we had an auction with the Minerals Council's going to get active with the beetle stuff, would it be an interest to the producers out here. That would be my question.

DEPUTY SUPERINTENDENT WINLOCK: It has to help.

CHAIRMAN WALLER: How could it not? Councilwoman Erwin, and then we'll finish up.

COUNCILWOMAN ERWIN: OK. It's my understanding that there's legislation being done to take the beetle off the endangered species by the end of the year. I think we probably need to check on that. I've heard that back in March. So, we do need to follow up on that.

COUNCILMAN CRUM: Fish and Wildlife says that even if they get started on five years before they actually come off, a little less.

COUNCILWOMAN ERWIN: I don't know. I just heard it was supposed to come off the list by the end of the year. I will check on it.

CHAIRMAN WALLER: Thank you.

Resolution for Travel: Stephanie Erwin

COUNCILWOMAN ERWIN: On the ENEL case, the 10th Circuit will be on November 16. I thought that probably some of us would like to travel.

CHAIRMAN WALLER: November 16?

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COUNCILWOMAN ERWIN: Yes, sir. That's the day of our meeting, too.

CHAIRMAN WALLER: OK.

COUNCILWOMAN ERWIN: And that might be a resolution for travel if some of us would like to go. If we do, the majority of us go, that we might reconsider the November 16 (*monthly Council meeting*) day for another day.

CHAIRMAN WALLER: Wednesday, let's take care of it, then. That will be open for all Council. With that, I wanted to bring up a couple of items, just on that meeting day alone in November, we need to announce that our actual Friday meeting will be on Thursday, the 10th of November, so we can honor Veteran's Day on the 11th. Make a change on your calendar.

Meeting Minutes:

CHAIRMAN WALLER: Meeting Minutes aren't in your book, but we sent them on to you to email for your review.

EMDG Grant:

CHAIRMAN WALLER: Next, I want to announce that we were awarded the EMDG Grant for \$73,637.05. Welcome to the new world.

Biannual Meeting Tape Issues:

CHAIRMAN WALLER: We also have the issues on, when we have our biannual meeting consultation, I need to have the tape sent up to Rebecca. We've got to vote in the review of the minutes from our last meeting, and have a resolution approve it, and while we're doing at the same time, we need to get the agenda for this upcoming meeting prepared possibly in December.

EIS/Other Data:

CHAIRMAN WALLER: With that, the other date we need to lock down is the meeting for the EIS. With that, Councilwoman Erwin and Councilman Redcorn.

COUNCILWOMAN ERWIN: Rebecca, she's been wanting us to sign off for those minute meetings for 2014, and none of us were there. Nobody took minutes, and we can't find anybody that will sign off on them. She keeps insisting that we sign off on them, and I've never read them or seen them, or know anything about it.

CHAIRMAN WALLER: I'll sign them.

COUNCILMAN REDCORN: Thank you, Chairman. I think this Council needs to be cognizant of this EMDG. We asked our attorneys to submit, and this is the first one, at least that I know of, of this Council, that we've gotten from the government, and I think we've done a great job to get this grant. We submitted two grants this Council has submitted in the past, and I think the Nation has submitted grants. I don't think any of them were awarded except this one. So, I'm encouraged that we continue on the path with this grant, and we were just awarded from the Bureau of Indian Affairs. I think it's a BIA grant, and it's to address a situation that our attorneys found, and we found. I think it's a great thing that we got this grant and that we build on

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the success of getting this grant to try and identify future developments we can have with the Bureau on tackling all the issues as data, or set up like that. Just a comment on the grant.

CHAIRMAN WALLER: Councilman Crum, then Councilwoman Boone.

COUNCILMAN CRUM: I wanted to tell people that this is a grant to digitize all that data that's being held here and Colorado Springs – not Colorado Springs, whatever – the Denver area...

CHAIRMAN WALLER: Bureau of Mines.

COUNCILMAN CRUM: Yeah. Right now, we struggled with, for a long time that we got all the data in the world, but nobody can access it, because it's all pieces of paper. We have this grant, now, to be able to digitize all that data, and it serves us in several different ways that Osages will have added data. We can disperse it to people without having to get it from the BIA, which runs into problems with FOIA releasing problems. The Osages can decide how we're going to deal with what FOIA is, but it doesn't make it go completely away. We can decide how to do that, what is the proper to be used. A side note on that, I wanted to bring up at some point, that we ought to start talking about I.H.S. being the one. One thing that was pointed out to me in this process of getting this grant is that we have to have this, so we can talk to I.H.S., but we can't get too far involved with them, as far as their purpose, they're part of it. I would also ask, publicly, that I'd like to get part of whatever we do on this transition to get that thing going. It's been of interest, for quite some while to continue it, if there's any role for me to do that.

CHAIRMAN WALLER: Yes, sir.

COUNCILMAN REDCORN: Chairman, if I can...

COUNCILWOMAN BOONE: Excuse me...

CHAIRMAN WALLER: Excuse me, Councilwoman Boone.

COUNCILWOMAN BOONE: I wanted to know on this grant money, is it coming directly to us or going through the Nation? Do we know yet?

CHAIRMAN WALLER: We haven't seen its scope, yet, but I'm almost positive it goes to the Nation.

COUNCILWOMAN BOONE: Goes to the Nation. Alright. Thank you.

CHAIRMAN WALLER: Until I see the actual award letter, we are a recipient of it. But you got to look at who it is and then, I'll bet some of my mail that goes to the Attorney General.

COUNCILWOMAN BOONE: Thank you.

COUNCILWOMAN ERWIN: I have a question. We were talking about I.H.S. doing this work. I think when we look at the budget, most of the work was going to be donated. There were some expenses in there for different sized meetings and travel on stuff. Now, I don't know how we could put stuff out to bid doing that. I don't know. We'll have to review the grant, because it's my understanding a lot of it is supposed to be they're just going to do it, so they can have the information, too.

COUNCILMAN CRUM: Could I respond?

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CHAIRMAN WALLER: Also, they've contacted us to meet us on the 18th. If anything, just to speak with us about whether their availability will help on the completion of the Federal deliverables on this grant, and that's going to be the last sentence of everything we want to talk to.

COUNCILWOMAN ERWIN: OK.

COUNCILMAN REDCORN: I want to address, if I can, Ms. Boone's comments. I have personal feelings about how the structure ought to be set up, so I'm not sure what was said about how we're going to go about – I think we should have a discussion. I think we should have that communication, because I think there should be clear separation with how leases are produced on a Nation, and how a lease will be approved by us, and so, to quickly say it goes to them for implementation, I would encourage communication, that we start that now. I'm glad we got the grant to be able to start the communication on it, to say, let's talk about it, what the needs are. So, I'm thinking, look at the State of Oklahoma. There's the OCC, then there's development people involved. They don't interact. There's one watching the other. EPA is not involved in economic development. So, there has to be clear separations in some of these others. That's why I'm hoping that we can have that discussion before we just automatically know who's going to run this grant. I think we need to discuss how the structure will be, going forward, when we start getting elements in this grant. The next thing I want to say is, I, too, would like to be involved. I know Mr. Crum and I have had disagreements on how we started in Minerals 1, but I think it was a building block to go to here, because we weren't with I.H.S. back then. We developed a program in here. We, being the Osage Minerals Council developed a process and had all that production data implemented, and then ENR took the task of well-specific data. To-wit, I would say coming forward to our Oil & Gas Summit, I would like this Council to consider that we get or contract someone to give us an idea of where we are with all this data. What's the picture of the ON ENR and what do they have? I'm still unclear. I've called them, I've sent them the stuff over. It's not very useful. Maybe I'm missing it. But I would like to ask somebody, kind of lay out the game where we are with data information hard copy what's digitized and then talk with Ms. Red Eagle and say we want to do a presentation of 30 minutes or something. Here's the scope of where we are with all our data, and that will get us all knowing where this data is. The last thing I want to say, Mr. Chairman, we're dealing with this earthquake. I just read in the *Tulsa World*, an article, talking about the State of Oklahoma and how they're handling this situation. There are some things and thoughts that Galen and I disagree, because I think the Osage Nation has a solid process, and that we have more boots on the ground than the State of Oklahoma. So, what they were talking about was, 'they' meaning the State, we have this methodology to calculate some impacts. Well, I think once we get over this hurdle, we can give them that. We've got more data here than they do in the State of Oklahoma and we have more boots on the ground than they do in the State of Oklahoma, regarding watching the activity in the field. So, I'm very proud of our system and I think we ought to defend it. One thing the State's coming to us, at least in the article in the *Tulsa World*, is we've got this methodology to help us track the impact and we're not seeing it over there. Well, I disagree. That's your methodology. We have a different one. We have a sovereign right to put together a program the way we want it. So, I think we ought to stand behind that and protect our sovereignty. I think we have a working relationship with the EPA Region 6, and they've been here for 30 years. We have engineers, and I think maybe one of those engineers ought to come out and communicate through our Oil & Gas Summit and tell the story of what we're doing there. But I want to encourage that communication with our Council and how we're going to develop to get that nice, rich data off hard copy and get digitized and we need help from the Bureau. We need help from the EPA. We want your comments. We want your direction. It's going to help us all on this, and take us to the next level, which I think is a very good system. What you're doing over there, what EPA's doing is a complicated thing, and the Trust is in the center of it all. So, if we're going to protect our Trust, we need to improve this process and do it right. I think this grant can do it. So I'm highly encouraged we got this grant. Thank you, Chairman.

CHAIRMAN WALLER: Thank you. Councilwoman.

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COUNCILWOMAN ERWIN: I'd like to go back to the matter before on the data finding, on the digitizing, that I think anybody that wants to be a part of that should be a part of it.

CHAIRMAN WALLER: Councilman.

COUNCILMAN CRUM: Going back to the original question from Councilwoman Erwin about supposing the companies would donate a lot of time. That seems to be the case that I.H.S. and others are interested in helping put the data into usable form, because they are a commercial outfit that people can make and sell information to them. As a Council, the bids, what I venture, at least, that we would be looking at how much they can do, how they could make it be available to our producer. That's one of the things the producers always said. They wish they could stay at home and get that data, instead of having to run up here and try to get it, and, of course, they run into the FOIA buzz saw. We would have to look at the overall package that a company would be bidding for, what they'd be willing to do for free, what they'd have to pay for, and how they'd want to present that in the future. So, that's the bidding process that I'm talking about. Not necessarily, them out like monies that they're paying up front, saying they may not be in, but they would be doing work for us. It's part of the same rules that I'm talking about that actually addresses the question of where the money is going. The rules of the Office of Energy Development, or whatever that acronym is, up there, they said that the money had to come through the Osage Nation. The Osage Nation made it very plain they don't want to administer that in any way. They're just accepting it on our behalf and then make it available for our use on how we need to have it made available. I don't think there's any question on who is going to administer this program. It's going to be this body right here, and in order to get the money, if we had a small field of some people that are having trouble swallowing, the money has to go to the Nation first. If we get that money and turn it around, it will be for all the good that it will do for the Osage Headright Holders.

Motion to go into Executive Session by Councilwoman Boone, Second by Councilwoman Erwin.

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-ABSENT.

EXECUTIVE SESSION – 10:55 A.M.

*** * * * ***

12:20 P.M. – Motion to come out of Executive Session by Councilwoman Boone, Second by Councilman Cheshewalla.

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

No vote to take from Executive Session with Lawco.

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OLD BUSINESS

Orion: Skip Honeyman

SKIP HONEYMAN: It's good to see everybody.

CHAIRMAN WALLER: Good to see you, sir.

SKIP HONEYMAN: I placed a map there for each one of you, so I can talk about that. I'll try to give you an update on where we were in, I believe, June. We came to an agreement on a draft to a resolution to reduce our acreage to a certain level, and I went back and inserted the technical evaluation, so I could present it to partners to do that, on the technical side, and picked that. Then I went through the land side of the deal and started writing down lease numbers, and came up with a list, and I found a problem. Actually, there's five leases. To step back in time, we pre-paid for all the leases. Almost \$3 Million just to take down those leases, for the right to take them down. As I went through the inventory of leases that segregate the two from the average, relinquished back to the tribe versus the acreage we're going to keep, I found five leases that were never assigned, so we really never got the leases. So, there's \$120,000 worth of leases we didn't get. So I had to go through the process of presenting that to partners, and going through that whole process. That's a totally different issue than what we're going to talk about today. I went ahead and included those particular 160-acre leases in these two lists. We'll work that other problem out.

CHAIRMAN WALLER: We're going to try.

SKIP HONEYMAN: Exactly. In August, I sent these lists of both the BIA and the Council, and for some reason, in September, we missed the agenda. I don't know how. We were supposed to be on the agenda in September and missed it. So, that's McNamara's deal. I don't know.

CHAIRMAN WALLER: Let me stop you. He actually had you taken off. He took care of another item of business from one of his other clients. Do you remember that part? I just wanted to go on record saying that. Now continue.

SKIP HONEYMAN: I was prepared to be here in September, and now I'm here in October. What I have here is, we came to an agreement on a resolution right after that in June and I was to go back and evaluate the property, look at the undrilled acreage and see what we wanted to keep and what we would relinquish back. That map, before you, is what that will look like after the resolution is put into place. So, there's 7,040 acres in the green, there, that after technical evaluation that we would like to keep, so that we could actually go out and develop it, and then the rest of it, 12,160 acres, will be relinquished back to the tribe for termination of the leases. I only brought a couple copies of this, but here's the two lists of all the lease numbers, minus the five. There's some question marks on the five.

CHAIRMAN WALLER: Are they highlighted on that list?

SKIP HONEYMAN: There's actually no lease number for them, so I just put a question mark in it, and I can leave a copy here, whatever you want to do.

CHAIRMAN WALLER: Leave us a copy.

SKIP HONEYMAN: These would be, I guess, an exhibit to the resolution itself. If you have any questions about it, that's kind of it in a nutshell.

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CHAIRMAN WALLER: On your new two-year lease on 7,040 acres, are you holding any other quarter sections by production?

SKIP HONEYMAN: If you look at the map, you can see it's a kind of clear Section 3 and 10. There's one well, and it's a horizontal. We drew five on the Mississippi wells. We have a mechanical problem in one of them. We will terminate the leases on that well, and the rest of them are sub-economic. They're making a lot of water and making H₂S. We just can't afford to strip the hydrogen sulfate out. So those leases will also be terminated.

CHAIRMAN WALLER: Yes, sir. Thank you. Councilman.

COUNCILMAN CRUM: What are we talking about for bonus money?

SKIP HONEYMAN: All we were really going to do is relinquish the acreage for half the acreage and the new year leases to go forward to be able to develop it.

COUNCILMAN CRUM: I would call that. The idea was you were going to give up that...

SKIP HONEYMAN: Correct.

CHAIRMAN WALLER: Councilman.

COUNCILMAN REDCORN: Thank you, Chairman. Can you summarize for me how long you've had this concession?

SKIP HONEYMAN: Let me see. I think it was 2011. I don't have the whole concession agreement.

COUNCILMAN REDCORN: Approximately 2011? What has been done with this lease? Can you summarize?

SKIP HONEYMAN: We drilled five – We spent \$14-15 Million on drilling five horizontal wells, two saltwater disposal wells, put all the infrastructure in through, built a gas pipeline right through the center of that lease block. I mean, there's been a lot of work done to it.

COUNCILMAN REDCORN: What about tankage? Can you describe what you've done there?

SKIP HONEYMAN: On what?

COUNCILMAN REDCORN: I'm assuming you've got water separation going on. What have you done there?

SKIP HONEYMAN: As far as the facility itself?

COUNCILMAN REDCORN: Yeah. I'll start again. Can you summarize for me what you've done on this concession since day one? I'm talking about the well you drilled, the saltwater disposal, what kind of work you've put out there, and I want to know from you.

SKIP HONEYMAN: Well, basically, we've drilled five horizontal wells. We drilled basically, we had one saltwater disposal well in place, and we drilled a saltwater disposal well.

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COUNCILMAN REDCORN: OK, so I was wrong in saying you drilled, too. If you had one...

SKIP HONEYMAN: No, we drilled that, too.

COUNCILMAN REDCORN: The gas infrastructure you developed and put in place?

SKIP HONEYMAN: Correct.

COUNCILMAN REDCORN: OK. Anything else? What was there when you walked on the property? Did you use anything? I don't know. I haven't been on this property. So...

SKIP HONEYMAN: it was never developed. This is the area where we did the Federal hearing with the windmill arm. This is the part of that.

COUNCILMAN REDCORN: I'm sorry. I missed that. What did you say?

SKIP HONEYMAN: When the Tribe, and I can't even remember the company that we were in velocity with. It fails me, right now. I testified on behalf of the tribe

CHAIRMAN WALLER: ...ENEL, the Mustang Run, and the third one...

SKIP HONEYMAN: The third one, ENEL, in those days, though. I can't remember who it was. I spent all the time to try and leave this property in a position where you could actually drill wells on it, and not be in competition with surface facilities and windmills and all that. So, there's parts of this property now, actually, that I'm going to keep on the two-year new leases to develop that we're going to have to deal with those issues of having windmills sitting there.

COUNCILMAN REDCORN: Thank you.

CHAIRMAN WALLER: Councilman.

COUNCILMAN CHESHEWALLA: Skip, I know your production seemed like going after some road up in through there to have a scenario. What was that going to do?

SKIP HONEYMAN: As far as cumulative production?

COUNCILMAN CHESHEWALLA: Yeah.

SKIP HONEYMAN: Well, they make thousands of barrels of water a day. The problem was...

COUNCILMAN CHESHEWALLA: Whenever you got those leases going, I went out and strapped most of them through that area.

SKIP HONEYMAN: And they made hydrocarbon. They did make hydrocarbon, not quantities, because when you're using that much water, and having to take hydrogen sulfide out and use chemicals to do that, you just can't make it economic. There's still potential, I think, even in the western part. But what I concentrated on putting dollars around that one well, we basically drilled a quarter well close to the northwest. So you have the full Mississippi, not quite, almost, and that's what we drilled the first well off of is that quarter data. The second one is spread out to try and get more data around the entire concession.

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Unfortunately, when we went to the west, we got lots and lots of water. I think if you'd look at it, the well in Section 3, probably one of the best horizontal Mississippi wells in the county, in the Osage.

CHAIRMAN WALLER: Councilwoman.

COUNCILWOMAN ERWIN: Ms. Phillips, this is for you.

SUPERINTENDENT PHILLIPS: Oh, I'm sorry, I was just going to get on the phone. I do apologize. For some reason, I'm sitting here thinking the Orion concession has expired.

COUNCILWOMAN ERWIN: And that's what I'm listening to hear.

SUPERINTENDENT PHILLIPS: The concession has expired, then the relinquishment of acres to the tribe to me, there's nothing to relinquish because the concession has expired.

SKIP HONEYMAN: Is this your list?

SUPERINTENDENT PHILLIPS: Well, I don't have that with me. That is the concession.

COUNCILWOMAN ERWIN: OK. This is my question, and it said it expired September 22, 2014.

SUPERINTENDENT PHILLIPS: Yes, so...

COUNCILWOMAN ERWIN: And then, there was another one for Holcomb Holdings for \$52,120. But what I'm saying is that's what it says here on this list. Is this correct? I mean, what are we doing here?

COUNCILMAN CHESHEWALLA: The leases have.

SUPERINTENDENT PHILLIPS: Well, he just got through saying that that is correct, that the Orion concession has expired. So, the thing is, to me, if by chance, and you know what the Osage Agency is doing, as we're looking at all of our leases to ensure that they aren't held by production. So, I'm sitting here, and that's why I was going to be on the phone, and there's thousands of acres relinquished to the tribe, while if those according to the concession, and the concession has expired, then I'm kind of back on there as what you're trying to say, and if they are under lease, that there's no production, we're going to expire those, anyway. Terminate those leases.

CHAIRMAN WALLER: Terminate.

SUPERINTENDENT PHILLIPS: So...

CHAIRMAN WALLER: With extreme prejudice...

SUPERINTENDENT PHILLIPS: Pardon me, if I sound stupid...

SKIP HONEYMAN: Several years ago...

CHAIRMAN WALLER: Let's let her finish, first.

SUPERINTENDENT PHILLIPS: I don't quite understand. To me, I'm looking at it as the Orion concession is expired and maybe you're interested in obtaining some new leases. Is that the case?

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COUNCILWOMAN ERWIN: Does he have some...

CHAIRMAN WALLER: Your world has changed in the last five minutes.

SKIP HONEYMAN: The answer is...

COUNCILWOMAN ERWIN: There are leases that are held by production...

CHAIRMAN WALLER: Ma'am. Let her finish.

COUNCILWOMAN ERWIN: I'm asking...

SUPERINTENDENT PHILLIPS: Yes, he does have some leases held by production.

COUNCILWOMAN ERWIN: And they're on this map, right here?

SUPERINTENDENT PHILLIPS: This is the first I've seen of this. But I'm pretty sure that he has sent us something that identifies all the leases. I do want to go back to this other statement that he makes about there were five leases where they paid \$120,000. There was a letter that came in to the Agency and I asked Lease Management, Cammi Cannaday, and her staff to go in and they found documentation where we released those monies back to Orion, because Orion came back in and said they were no longer interested in leasing. We did send them a letter to that effect, and I believe the Minerals Council got a copy of that letter as filed.

CHAIRMAN WALLER: We read every one of them.

SUPERINTENDENT PHILLIPS: And we read everything they're doing. We're sending to the Minerals Council, so you should have a copy of that letter, as well. So, I don't know about that statement. I do apologize, Skip. Our records are showing...

SKIP HONEYMAN: OK. That's not really an issue I want to address today, because that really has to do with probably legal matters and the attorney, but that's...

CHAIRMAN WALLER: With my Federal Trustee? Is that what you're doing, a threat?

SKIP HONEYMAN: There's \$120,000 that was paid for something, and normally if you go for consideration, be it Performance, OK? There are no leases, but there's money gone. Not refunded. The rental payments were refunded back on leases we don't have. Those are refunded, but \$120,000 is not refunded.

SUPERINTENDENT PHILLIPS: OK. My records, we...

CHAIRMAN WALLER: We're going to clear that up on Wednesday. Is there anything else we need to add, right now before I turn it over to my Council? Councilman, do you have any other question? Councilman Crum.

COUNCILMAN CRUM: A little background on this. On this particular concession, it's not exactly what most of the others were. It was a lease (*difficult to understand this portion of conversation*) paying monies for, you just said how much it was, \$50 or \$100.

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SKIP HONEYMAN: We made \$150/acre.

COUNCILMAN CRUM: \$150.

SKIP HONEYMAN: Three-year lease...

COUNCILMAN CRUM: They bought an extra-long lease for about three years. There were tracts to combine. At any rate, he releases, rather than a concession that involves the ground that takes the leases. So, I'm not trying to lobby, I'm just trying to point out how these work. When are your three-year leases up?

SKIP HONEYMAN: Some of them have expired. Some of them haven't expired. The reason we came back with this particular proposal and resolution was several years ago, we brought a resolution to the Council for an extension and the leases at that time. I actually proposed a partner seven wells. So, we waited, and we waited to see what was going to happen, and we couldn't get the permit without going through really an economic means to drill a well. So, we came to the Council and we actually agree, but we never signed off on it, or finished it up. So we came back with this new proposal in June, instead of getting extensions on everything. I think Councilwoman Erwin brought up the fact that we want acres back. I understand that. It's an asset of the Tribe, and I'm all about getting the Osage back to where it's supposed to be. So, I agree to take that back to partners and say, OK, we'll reduce our lease hold position and move forward.

COUNCILMAN REDCORN: I'll just add that you're coming back Wednesday? I would encourage whatever you come back with, you have communication with the Bureau, and make sure where you agree and she agrees, and then whatever proposals you come to us back on Wednesday. I think that will help us keep on track. I want to make sure whatever you're going to propose, she's in agreement. Because it sounds like it's kind of happening, but I want to make sure. Can we do that?

SUPERINTENDENT PHILLIPS: Yes.

SKIP HONEYMAN: I can write up what was talked about.

SUPERINTENDENT PHILLIPS: A proposal?

COUNCILMAN REDCORN: If it comes to a lease, we're the value side, and once we approve, she runs the thing, or the Bureau, and that has to happen, or we're going to be doing this over and over.

SUPERINTENDENT PHILLIPS: Thank you. I just want to make sure that we're all clear with the Orion concession has expired. So, any leases that you feel you're going to relinquish may have already been expired, due to lack of production or development. So, I don't want to see something come back in to me, saying 12,160 acres relinquished that was maybe a part of the original concession, because, in my opinion, the concession has expired, so that's not something that is a proposal to return back to the Minerals Council, because it's been returned or been expired.

SKIP HONEYMAN: The life of the leases exceeds the concession, right?

SUPERINTENDENT PHILLIPS: If there's production.

SKIP HONEYMAN: At the time I came to the Council in June, there was a large number of leases that hadn't been expired, and I ran into some roadblocks that really caused...

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COUNCILMAN REDCORN: Can this conversation happen between you two?

SUPERINTENDENT PHILLIPS: Yes.

COUNCILMAN REDCORN: ...and come to an agreement, and we'll hear it. I think unless you two agree, we're not going to get anywhere with an agreement with you. So if you can communicate with her...

CHAIRMAN WALLER: For Wednesday.

COUNCILMAN REDCORN: For Wednesday.

SKIP HONEYMAN: We'll make it.

COUNCILMAN REDCORN: Thank you, sir.

SKIP HONEYMAN: Any other questions?

CHAIRMAN WALLER: No. I think we're in good shape.

Producer of the Year: Galen Crum

COUNCILMAN CRUM: I put this on the agenda, because we're needing to act on it. I think we have a continuing resolution, if I recall, that we were going to start this process up in a year, and we are now going to have a summit, and after we did the first one, after restarting we done these a few years ago. I talked to Lacey this morning. In order for us to be able to nominate somebody that voted among ourselves, the process is, is that the Council nominates people who they think they are producers, and the Council will then vote on who gets it. But we need to do that by next Wednesday for her to be able to do the purchasing of the award.

CHAIRMAN WALLER: Yes, sir.

COUNCILMAN CRUM: My suggestion is that Councilmembers have their ideas who it is. We'll do it in Executive Session on Wednesday. We will put whoever they think it should be and have our own discussion about who your candidate is, and we will vote on it, and I guess we will make the decision next Wednesday. So what we do in Executive Session is make a decision on who gets...

CHAIRMAN WALLER: ...the process. Yes, sir. Thank you. Councilman.

COUNCILMAN REDCORN: Just a quick follow-up comment. This is a great idea of Councilman Crum. The only thing I would also recommend is, once we decide who that person is, we communicate with our field guys as we generally do, if we see anything, that we're not seeing anything out in the field that we should know, and then maybe run that by the saltwater injection folks, too, that we're not giving an award to somebody who's got an EPA (*cannot understand discussion between two or three people*).

CHAIRMAN WALLER: OK.

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Transfer of CD:

CHAIRMAN WALLER: Who wants to handle the Item C, under Old Business? Just review it. We're the last ones with a CD there. Just think about it.

Resolution for Hot Water: Stephanie Erwin

CHAIRMAN WALLER: With that, I'd like to move down to Resolution for Hot Water. Stephanie Erwin. Very quickly.

COUNCILWOMAN ERWIN: We haven't had any hot water. We tried to get it fixed. I've had our office help call and inquire about it. The last time they called about it, they said that we're going to have to do a resolution. I think the 19.5% of our Indirect Cost is a waste of money. They told them that they didn't have any money for the last three months, and we were low priority. So, who's going to take a resolution to get a hot water tank in there, so they can have hot water for the restrooms and sink?

CHAIRMAN WALLER: Yes, ma'am. Councilwoman Boone.

COUNCILWOMAN BOONE: Thank you, Mr. Chairman. I talked to the department that handles all work orders. They were just put on hold. Our request was put on hold, because they have to purchase a water heater and we don't need a resolution. They're just in the process of getting a purchase order together so they can get us a water heater, and get it over here. I talked to them just yesterday.

CHAIRMAN WALLER: Council, do you have any more to add over the hot water fiasco?

Meeting Minutes:

CHAIRMAN WALLER: The meeting minutes, as we have announced, they're sent to you on your electronic for your review. We'll take care of those Wednesday.

COMMITTEE REPORTS

Oil & Gas Summit:

CHAIRMAN WALLER: Committee Reports. I appreciate Ms. Red Eagle waiting through this dilemma. I'd like to turn the floor over to Christy. This is on your Oil & Gas Summit.

CHRISTY RED EAGLE: I got you a copy of the budget that I prepared. First of all, I want to thank you all for allowing me this opportunity...

CHAIRMAN WALLER: It's our honor.

CHRISTY RED EAGLE: Thank you. I've been hired since 2002 from the first Minerals Council we had in Tulsa on Woodland Mall on 21st Street, and having it at our own land, which is great, and with that, we're getting real big cost cuts on this. I believe that, since it's a one-day event, that we don't have to spend that much money, because I'm going to get it paid back through the marketing of the Casino for the rooms and the food. So, my goal is to have a bigger return of money for next year for our two- to three-day event.

CHAIRMAN WALLER: Yes, ma'am.

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CHRISTY RED EAGLE: ...and so I've broken down costs. I even got a hold of Jessica Moore that she did our prints for last year. I asked her if we could use it again this year, and she said yes. She's very thankful. I asked her if she wanted a fee, and she said all she wanted was a t-shirt for each of her family members, and I said no problem. She even said she sizes. So, we're going to do that. It's a beautiful print, and I've already got costs for the t-shirts. We could sell them, which we will have a committee meeting next time, because there is going to be some costs that I need to get advice for, because we charge each person a fee to come to the summit, and for a two-day event, and I budgeted for \$50/person. We can lower it or make it higher, but it's up to the committee what you would like to do. But I already have the lanyards ordered. We have our tote bags ordered and our t-shirts ordered, and to get costs, I'm going to Eskimo Joes. Love them. I plan to do two mail outs before December 7th, and email blasts, and I'll be working with Lou with that, and I plan to reach out to more shareholders for this event, since it's local and it's in Skiatook. For the rooms, I have the rooms all blocked for that day, and we're only going to book a certain amount of rooms for the Council members, as we are going to have cocktail hour that night and I would hate for us not to have rooms for our people, and we are on our own land. We do get charges back. We get taxes back for this service charged back, and I already have the dinner, the lunch, the hor d'oeuvres for our break, happy hour and \$10 free play for that night. So, I have everything done. My next step is our speakers. Get our drummers in line. A color guard in line, and person that's going to introduce the speakers. That's it. Everything else is done. I have decorations into this budget already, and we're going with the Christmas theme.

CHAIRMAN WALLER: I love it. Council?

SUPERINTENDENT PHILLIPS: What's the date?

CHRISTY RED EAGLE: December 7th.

SUPERINTENDENT PHILLIPS: Thank you.

CHAIRMAN WALLER: We're going to try and coordinate it with Michael Black being at the Consultation Meeting. He might have to show up there. Councilman Crum.

COUNCILMAN CRUM: I had some other questions to ask about the director. That's going to be a big score, if we can do that. I wonder if it would be that the delegation might want to stay there the day before. Perhaps Christy can set that up for them. Suggest that they stay in that building.

CHRISTY RED EAGLE: OK.

COUNCILMAN CRUM: Because we were hoping that, perhaps, he would stick around. We don't know what his schedule is, but if it were, at all, possible for him to have some of his people to stick around and watch, the next day, that might be something he would be interested in.

CHRISTY RED EAGLE: I do have rooms booked already, especially for me and Lou and Eli. Since we're dealing with such a budget that we're wanting to save for next year, I'm just using the people that I can trust. So, we'll be down the 6th to get ready. So, there's rooms, if you want to have meetings there the 6th.

COUNCILMAN CRUM: I think that we hope...

CHRISTY RED EAGLE: But we can accommodate.

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COUNCILMAN CRUM: Back to what I started out to say, I want to thank you for putting this together so fast. You told me that you were interested in this, and I was pleased when you said you would do it. You stepped up.

CHRISTY RED EAGLE: I'm so glad, because my grandfather sat on the Council, of course, Ed Red Eagle, Sr. and then my great grandfather, Roman Logan, was on the first Council. So, Eli and I are thankful for even asking us to participate.

CHAIRMAN WALLER: Just sitting with your grandfather was one of my greatest honors.

COUNCILMAN CRUM: And, so, I think, putting this in here is going to be more than just a placeholder. It's going to be a good event. We hoped that it wouldn't "die" for a year, because of inaction.

CHRISTY RED EAGLE: And it probably changes.

COUNCILMAN CRUM: Right. One thing that I don't think you've put in, these were always financed greatly by contributions from the producers, but we probably didn't do the outreach that had been done in the past.

CHRISTY RED EAGLE: I am going to do some outreach through Lou's help, and I do have a list of contributors that I've had in the past. I'm just going to see what's appropriate with the next committee meeting. I'm going to see what's appropriate. But for half of this, it's already donated through the Casino. So, we're really looking at maybe \$5,000 more that's going to be coming out of the budget that we already have.

COUNCILMAN CRUM: I would think, perhaps, there would be some that would want to participate, but there'll probably not be the cold course press that we do. Maybe for next year.

CHRISTY RED EAGLE: No. We'll save that for next year in that budget, and I am going to do two press releases, just to get people interested. We have shareholders interested and our producers interested with email blasts. I'm trying to make this very cost effective for this year, so it all goes back into the bank for next year.

CHAIRMAN WALLER: Thank you so much. Councilman.

COUNCILMAN REDCORN: Thank you, Chairman. I, too, want to thank you for stepping up and your brother, Eli, to come up with a solution. It looks great. I know there's a lot of work to do. One thing I want to make clear to the Council is, and I think when we had our initial discussion, and it's unfortunate that Mr. Yates is not here, but I think the group was wanting to lean on the Osage Minerals Council to help communicate what kind of speakers we want. So, if we could take a little more active role. Mr. Yates and I were going to pull up a list of speakers. His task was in the morning to producer-relevant issues. So, we're kind of shifting away from the geology that would generally fit with great information, but more, as you say, Councilman Crum, 'nuts-and-bolts', and when you're trying to operate a well out there, what are the issues. So, that kind of morning is dedicated to that, and in the afternoon, we're looking at possible future development opportunities and what may be some cooperation with us and the producers might develop. So, we're exploring that. The last thing is the Bureau, since they're going to be here, we thought maybe there could be a session where Mr. Black could be available to talk back and forth with our producers. Just general summaries where the Bureau sees the relationship. So, that's kind of how it's going. Again, Mr. Yates and I were going to put a list together, and since he's not here, I will communicate, try to, to see how we can get it going for next week. But, if you have ideas, we'd love to hear them on the Minerals Council.

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CHRISTY RED EAGLE: Great, great, and we always have booths, vendors coming in. I already have four coming. No problem. Osage County Tourism, Merchant Association, Osage Arts, Joe Don Brave and the Osage Casino all having booths, so I thought we could have them around while we're in the meeting. They can be a part of it, too.

CHAIRMAN WALLER: That's perfect. Councilwoman Boone.

COUNCILWOMAN BOONE: Christy, I just want to thank you and Eli for doing such a good job on such a short time frame. I'm really looking forward to it. Thank you for your help.

CHRISTY RED EAGLE: Thank you.

COUNCILWOMAN RED CORN: Mr. Chairman, I want to say that I would like for us to, as one of the speakers, be Edith Wilson. She gave a presentation about a year ago...

CHAIRMAN WALLER: Whispering Rock. Yes.

COUNCILWOMAN RED CORN: ...about earthquakes, and how it lays out next to the reservation.

CHRISTY RED EAGLE: Great. I'll get all the information.

COUNCILWOMAN RED CORN: OK.

CHRISTY RED EAGLE: Great.

CHAIRMAN WALLER: Thank you, dear. Is there anything you'd like to add?

COUNCILWOMAN RED CORN: No, that's fine.

CHAIRMAN WALLER: With that, I can't thank you enough. Anything else you need from us, Wednesday, just tell us.

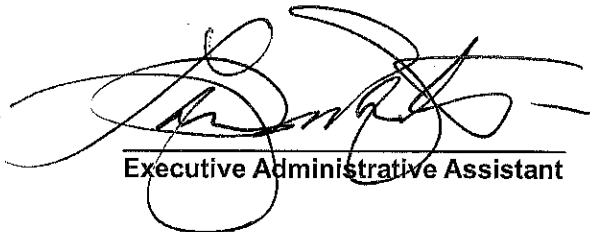
CHRISTY RED EAGLE: Thank you very much.

Councilwoman Erwin made the motion to adjourn, second by Councilwoman Boone.

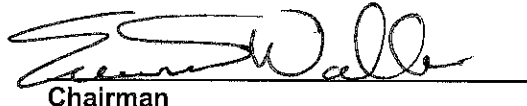
MOTION PASSED: GALEN CRUM-YES, STEPHANIE ERWIN-YES, KATHRYN RED CORN-YES, TALEE REDCORN-YES, EVERETT WALLER-YES, ANDREW YATES-ABSENT, CYNTHIA BOONE-YES, JOSEPH CHESHEWALLA-YES,

Adjournment – 12:58 P.M.

Approved:



Executive Administrative Assistant



Chairman

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