

**OSAGE MINERALS COUNCIL
REGULAR MEETING
OSAGE COUNCIL CHAMBERS
PAWHUSKA, OKLAHOMA
FEBRUARY 10, 2017
MINUTES**

CALL TO ORDER

Chairman Everett Waller called the meeting of the Osage Minerals Council to order at 10:00 A.M.

OPENING PRAYER

Councilman Talee Redcorn gave the opening prayer 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, Talee Redcorn, Everett Waller and Andrew Yates. Kathryn Red Corn was absent. A quorum was declared.

Visitors signed in were Myron Red Eagle, L. K. Heskett, Joy Ledbetter-OST, Julie Wilson, Paul Revard, Ella Walker-OGS, Joe Schmidt, Charles Wickstrom, Kyle Murray-OGS, Lanny Woods-Jireh Resources, Sharon Long, Rhonda C. Wallace, Rocky Banks, Shane Matson, Linda Jackson, Christina Roan, J. L. Holt, Cecelia Bledsoe-Johnson, Nona Roach, and Jamie Sicking.

NEW BUSINESS

Oklahoma Geological Survey:

Kyle Murray, Ph.D., from the Oklahoma Geological Survey gave a presentation that was presented to the Council regarding Sub-Surface pressure monitoring and if there's a complex interrelationship between oil and gas production, water production and seismicity that he and his group studies at OGS. His status is water and how it's managed throughout the entire system inside. Ella Walker, Water Resources Engineer, was also recognized.

New Oil and Gas Lease: Dr. Edgar Rebeiro and Jamie Sicking, Attorney

Mr. Sicking spoke on behalf of Dr. Rebeiro, who lives in Tennessee, and had the lease that is in question, where there was trouble with the water. He was able to receive an easement for a Salt Water Disposal well on a neighboring lease, and turned out to have many problems. Therefore, he shuts it down, reworks it, and by the time he had the Salt Water Disposal well done, his lease had been terminated for lack of production. The BIA asks him to come plug the Salt Water Disposal well that he put \$100,000 into that never got used. Therefore, Mr. Sicking is asking that the lease be renewed and to get an easement back for his Salt Water Disposal well. BIA Superintendent, Robin Phillips, made sure that he was asking for a new oil and gas lease, and that he will need that easement, and it was confirmed by Mr. Sicking. He appealed her decision to plug that well, and that he needs to negotiate a new oil and gas lease, and will need the easement. Council discussed this matter with Mr. Sicking. BIA Superintendent asked for this request in writing, as she had nothing in front of her.

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Burbank Materials – Renegotiation of Royalty Rate per January 4 letter: Casey Hindman

Mr. Hindman explained his proposal to negotiate the royalty rate on two of his contracts for rock mined there. He also proposed to pay a 10% royalty rate on determined fair value of rock based on a per ton rate, and has delivered to the Council an addendum to what he is already proposing. After discussion, Chairman Waller said that the Council would review the information.

Rocky Banks & Schmitt Brothers: Sandy Soil permit

Chairman Waller announced that this will be taken into the Executive Session.

Councilwoman Boone asked why Mr. Shannon's presentation would go into Executive Session, as she's getting calls from shareholders that they are not for his lease. Chairman said that Council should hear it in Executive, and if necessary, it will come out in open session.

TORP – University of Kansas: Councilman Redcorn

Jim Hessert gave a presentation on how to get more oil out of the ground with advanced techniques. After the presentation, Councilman Redcorn asked that at the next meeting (Feb. 15), that the Minerals Council could get involved with the Tertiary Oil Recovery Program (TORP) at KU. They want to develop several demonstration projects in Osage County. They're very interested in doing that. Mark Ballard is the gentleman that's telling the Council that they want to come down and demonstrate in Osage County what they do in Kansas.

Washington, D.C. Trip – March 13-16, 2017:

Councilwoman Erwin mentioned that Principal Chief Standing Bear had been scheduled to go on another trip there, but did not go. His non-elected administrative people went instead, and she's appalled that these people went up there discussing the Council's business with the U.S. Senate Committee on Indian Affairs.

Julie Wilson, Shareholder:

Ms. Wilson asks why the Council about Mr. Shannon's presentation is in Executive Session, and not in Open Session.

Motion to go into Executive Session by Councilman Crum, 2nd by Councilwoman Erwin.

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

Executive Session – 12:02 P.M.

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Motion by Councilwoman Erwin to Exit Executive Session, 2nd by Councilwoman Boone – 2:20 P.M.

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

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No vote coming out of Executive.

OLD BUSINESS

ODOT: MOU

Chairman Waller wanted the Council to look at the original version, which was reviewed last September. Council has the additional draft, and asked the Secretary of Energy for the State of Oklahoma to help them look at, and that's when the revision comes through from the Bureau of Indian Affairs over 10% 226 Sec. 214, and take it to Wednesday's meeting.

Amshore Letter: Stephanie Erwin

Chairman Waller asked Councilwoman Erwin to discuss the Amshore letter, which she said that they were wanting to meet with us. Chairman Waller concluded that he had in responding to them, was from the Council's decision that they would not meet with them while they're still in the Denver's case; however, the subject will be brought up in Wednesday's meeting.

Meeting Minutes: (December 16, 21 & January 18)

Chairman Waller asked the Council to review the Meeting Minutes for Wednesday's meeting.

Freedom of Information Request Case: Galen Crum

Councilman Crum wanted to know is regarding a resolution that was approved a month or two ago that said the Council was to honor the financial data requested, all, except they were going to get some guidance on what we were barred by law of releasing. Discussion was held on this subject, and would be brought up in Wednesday's meeting.

COMMITTEE REPORTS

Councilman Cheshewalla brought a message that St. John's Indian School, what's left of it, with last Spring's pasture burn took the roof down. He did check with a rock mason, who thinks it's still salvageable and still a chance that something could be done with it, preservation-wise.

A Committee Report will be forthcoming, next Wednesday, regarding the Wah-Tian-Kah Scholarship.

ADJOURNMENT


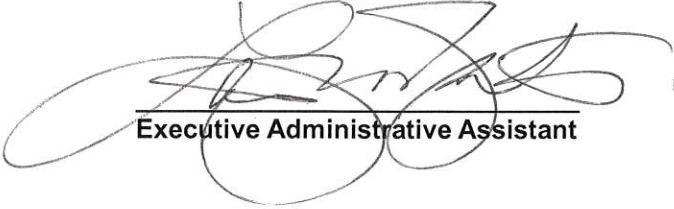
Motion to adjourn by Councilwoman Erwin, 2nd by Councilman Redcorn – 2:30 P.M.

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

Adjournment – 2:30 P.M.

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Approved:


Chairman
Executive Administrative Assistant

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