

1 **OSAGE MINERALS COUNCIL**

2 **Meeting Minutes**

3  
4 **November 20, 2013**

5 **1. Call to order**

6 **Andrew Yates** called to order at **10:00 A.M.**

7 **2. Opening Prayer -**

8 Opening Prayer and Reading of deceased Osages– Councilman Bear

9 **3. Roll call**

10 The following Minerals Council persons were present:

11  
12 Joseph B. Sonny Abbott, Jr.  P                       Curtis O. Bear  P   
13 Cynthia Boone  P     Melvin Core  P   
14 Galen Crum  P     Myron F. Red Eagle  P   
15 Dudley Whitehorn  A  (arrived 10:05)              Andrew Yates  P   
16  
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18 The following members of the audience signed the guest register:

19  
20 **Ray McClain, Patricia Bright, Ann Abbott, Jerry Reiger, Jeremy Euse, Miles**  
21 **Welke, Nona Roach, Brian Ross, Mary Johnson, Florence Trantum, Frances**  
22 **Kilpatrick, J. Geurin, Charles Whickstrom, Tom Lackey, Marcy G, Sharon**  
23 **Long, Linda Heskett, Julie Wilson, Matt Beavers, Dean H., Ron Prather, Stan**  
24 **D., Gary Brown**  
25

26 **4. Tribal Accountant Reports-**

- 27 A. Leslie Young – C395  
28 B. Julia Rowe – S-510  
29

30 **5. Auditor Report – Jim Swan**

31 September Report: Osage Information Sheet

32 In September collected \$7,901,793.66; Average August HPP \$105.28 pb; September  
33 average HPP \$102.92; average daily barrel produced in August \$13,800; August  
34 production gross barrel 427,683 barrels; Royalty barrels 70,259 barrels, Royalty to Gross  
35 barrels 16.43%; Oil Royalty collected \$7,397,018; Gas Royalty \$230,949. Bonus was  
36 \$2.18.  
37

38 Jim Swan states that it should have been \$123,605.57 higher because the company  
39 reduced payment due to recover excess Royalty payment as a result of double

40 measurement 299,687 mcf during 2011-May 2013. The company should have provided  
41 documents to the Minerals Council and the BIA.

42 Yates ask if this topic was discussed Friday.

43 Crum answers that it was discussed with Robin Phillips.

44

45 October Report: Osage Information Sheet

46 In October collected \$7,870,395.66; Average September HPP \$105.19 pb; October  
47 average HPP \$97.20; average daily barrel produced in August 13,500; September  
48 production gross barrel 407,392 barrels; Royalty barrels 66,499 barrels, Royalty to Gross  
49 barrels 16.32%; October Oil Royalty collected \$6,994,607; Gas Royalty \$781,944. Tank  
50 bottom \$2,655. Total was \$7,779,260. Bonus was \$2.27.

51

52 Crum mentions that “bonus” is average price paid for oil above highest posted price.

53

54 Jim Swan mentions 3<sup>rd</sup> quarter gross productions \$1,181,587.61 and Quarterly payment is  
55 \$10,265 payout starts December 2<sup>nd</sup>.

56

57 **6. Minerals Matters**- Charles Hurlburt Supervisory Petroleum Engineer

58

59 Hurlburt: \$123,000 deduction. Trying to get sufficient info to report if legitimate  
60 or not. The company may have 2 gas meters decreased to the point that they no longer  
61 justify reported sales on meter “A” and added to meter “B” also. If that is the case they  
62 should have asked first. Right now no new info. Asking for them to submit new reports  
63 for all leases in question. Multiple leases for multiple months all at one is what the added  
64 together.

65

66 Crum: Ask if they have any records of our field people inspecting the leases at that time  
67 frame? Policy may should be placed.

68

69 Hurlburt: When there is a deduction information to why it is requested. Also mentions  
70 US Geological Servay is drilling and drilled 432 feet started getting oil and gas. Will  
71 have to plug and is located by Okesa on Hominy lease.

72 **7. Administrative Matters** – Robin Phillips, Osage Agency Acting Superintendent

73 Phillips: 2 million dollars in additional profit. EIS is \$500,000. Mentions she is working  
74 on getting Human Resources to hire 13 new positions. In response to Stephanie Erwins  
75 questions. 39 tanks were gauged in October. The run statements and tickets information  
76 she is still working on.

77 Yates ask how many gaugers there are.

78 Phillips: Replies with the gaugers and inspectors are trained to do both jobs so they are  
79 the same now. Possibility of just gaugers in the future.

80 Crum asks if there are gauger positions on the website to apply for the two separate jobs.

81 Crum ask if she knew about when the new positions would be available.

82 Phillips replies says she is uncertain at the moment and hopefully by next meeting she  
83 can have that answer.

84 Boone adds she is glad of the new positions. Asked Robin what the ideas for the burea  
85 function to help improve the market on oil.

86 Phillips replies she needs to get the gentlemen doing so needs more information and she  
87 will get it to him.

88 Stephanie Erwin: Entitled to accounting on oil and gas royalties. Mr. Streeter said  
89 individuals setting on the Minerals Council committee is there for themselves, not  
90 shareholders. Thinks shareholders should be at bi-annual meeting.

91 Phillips says she will talk to Eddie Streater.

92 Stephanie Erwin: says she will Eddie Streaters decision to Robin Phillips

93 Crum: States council is involved in bi-annual meetings as council. Separate from  
94 Negotiated rulemaking.

95 Charles Wickstrom: States that people are unaware of the Regional Impact Enviromental  
96 study and how large of an area is being studied.

97 Hurlburt: Replies that it is a 3 state area of 1,477,000 acres with a doughnut hole in the  
98 middle. States are Oklahoma, Texas, and Kansas. He advised Impson it is the best deal  
99 but at least 5 years in the making.

100 Wickstrom: Ask if it is all of Osage County.

101 Hurlburt: The entire Osage County.

102

103 **8. New Business-**

104 Crum proposes to have lease sale in March 14<sup>th</sup> or March 19<sup>th</sup>.

105

106 **MOTION: BY Crum (Lease sale March 14<sup>th</sup> or March 19<sup>th</sup>)**

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108

109 **BY: \_\_Core SECOND: \_\_RedEagle\_\_\_\_**

110 **Joseph B. Sonny Abbott, Jr. \_Y\_\_ Curtis O. Bear \_Y\_\_**

111 **Cynthia Boone \_\_Y\_\_ Melvin Core \_Y\_\_**

112 **Galen Crum; \_\_Y\_\_ Myron Red Eagle \_Y\_\_**

113 **Dudley Whitehorn \_Y\_\_ Andrew Yates \_Y\_\_**

114 **ROLL CALL: AYE \_\_8\_\_ NAY \_\_0\_\_**

115 **MOTION: \_\_X\_\_ PASSED \_\_\_\_\_ FAILED**

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120 **9. Executive Session-**

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Boone: Submitted her idea to not be in executive and to be open meeting and  
Chairman placed it in executive session.

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**MOTION TO ENTER EXECUTIVE SESSION AT 10:30**

127

**BY: Crum SECOND: RedEagle**

128

**Joseph B. Sonny Abbott, Jr. Y Curtis O. Bear Y**

129

**Cynthia Boone Y Melvin Core Y**

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**Galen Crum; Y Myron Red Eagle Y**

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**Dudley Whitehorn Y Andrew Yates Y**

132

**ROLL CALL: AYE 8 NAY 0**

133

**MOTION: X PASSED                      FAILED**

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**MOTION TO END EXECUTIVE SESSION AT 1:32**

137

**BY: RedEagle SECOND: Abbott**

138

**Joseph B. Sonny Abbott, Jr. Y Curtis O. Bear Y**

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**Cynthia Boone Y Melvin Core Y**

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**Galen Crum; Y Myron Red Eagle Y**

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**Dudley Whitehorn Y Andrew Yates Y**

142

**ROLL CALL: AYE 8 NAY 0**

143

**MOTION: X PASSED                      FAILED**

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146

**BY: Crum SECOND: Whitehorn**

147

**To: Sullivan and Co. concession Agreement 87,000 acre at 3 years with 75 acre  
lease bonus for \$100 an acre**

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149

**Joseph B. Sonny Abbott, Jr. N Curtis O. Bear N**

150

**Cynthia Boone N Melvin Core N**

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**Galen Crum; N Myron Red Eagle N**

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**Dudley Whitehorn Y Andrew Yates N**

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**ROLL CALL: AYE 1 NAY 7**

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**MOTION:                      PASSED X FAILED**

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160 **BY: Boone SECOND: Whitehorn**  
161 **To:** Sullivan and Co. alternative #2 to increase bonus per acre for \$100  
162 **Joseph B. Sonny Abbott, Jr. N Curtis O. Bear N**  
163 **Cynthia Boone Y Melvin Core N**  
164 **Galen Crum; N Myron Red Eagle N**  
165 **Dudley Whitehorn Y Andrew Yates N**  
166 **ROLL CALL: AYE 2 NAY 6**  
167 **MOTION: PASSED X FAILED**

169 **BY: Boone SECOND: Core**  
170 **To:** Wellco proposal to accept 4,700 for Oil & Gas lease 2 tracts  
171 **Joseph B. Sonny Abbott, Jr. N Curtis O. Bear Y**  
172 **Cynthia Boone Y Melvin Core Y**  
173 **Galen Crum; N Myron Red Eagle N**  
174 **Dudley Whitehorn Y Andrew Yates N**  
175 **ROLL CALL: AYE 4 NAY 4**  
176 **MOTION: PASSED X FAILED**

178 **BY: Crum SECOND: Abbott**  
179 **To:** Linn Energy \$1,100, 31 tracts to add gas only to Navel Reserve  
180 **Joseph B. Sonny Abbott, Jr. Y Curtis O. Bear Y**  
181 **Cynthia Boone Y Melvin Core Y**  
182 **Galen Crum; Y Myron Red Eagle Y**  
183 **Dudley Whitehorn Y Andrew Yates Y**  
184 **ROLL CALL: AYE 8 NAY 0**  
185 **MOTION: X PASSED FAILED**

187 **BY: Boone SECOND: Core**  
188 **To:** Wellco proposal to accept 4,700 for Oil & Gas lease 2 tracts  
189 **Joseph B. Sonny Abbott, Jr. N Curtis O. Bear Y**  
190 **Cynthia Boone Y Melvin Core Y**  
191 **Galen Crum; N Myron Red Eagle N**  
192 **Dudley Whitehorn Y Andrew Yates N**  
193 **ROLL CALL: AYE 4 NAY 4**  
194 **MOTION: PASSED X FAILED**

196 **BY: Boone SECOND: RedEagle**  
197 **To:** Accept as ammended  
198 **Joseph B. Sonny Abbott, Jr. Y Curtis O. Bear Y**  
199 **Cynthia Boone Y Melvin Core Y**  
200 **Galen Crum; Y Myron Red Eagle Y**  
201 **Dudley Whitehorn Y Andrew Yates Y**  
202 **ROLL CALL: AYE 8 NAY 0**  
203 **MOTION: X PASSED FAILED**

204

205 Crum: Promised the company man last week that he couldn't get any supporters to make  
206 a motion, then he would. Brought a proposal for a concession agreement of 87,000 acres  
207 for \$1.72 an acre making the payments in bonus.

208  
209

210 **9. Old Business-**

211 Yates: States good turnout, Rick Thorix did a good job. Commended Mrs. Boone  
212 for blankets. Need smaller business operators.

213 **10. New Business-**

214

215 **Washington D.C. Recap:**

216 Yates: Chapperal letter willing. Meeting with Kevin Washburn and his legal  
217 council went well. Discussed Eagles, Enbridge, Windfarm, and roads. Will  
218 follow-up.

219 Linda Heskett-"I was wondering if they understand that they are impacting a four  
220 hundred billion dollar asset. That is our asset and somewhere there should be  
221 some kind of concession if they want to go on with this because they are  
222 impacting the drilling and everything else. This is our asset, it has been there for  
223 years, and for the windfarm to come in its going to benefit another state.

224 Yates: "I tried to emphasize that it is the largest oilfield in Oklahoma, Burbank.  
225 It's the biggest producer for the Osage.

226 Linda Heskett: "Thank you"

227

228 **Approval of Minutes:**

229

230 Boone: October 16<sup>th</sup> minutes on line 196 rescend is not spelled correctly. Line  
231 226 "to" should be "so" and say "a need so that".

232

233 RedEagle: October 11<sup>th</sup> minutes on line 61 "quest" is supposed to be "less".

234

235 Boone: Says that Line 40 motion to enter and line 51 motion to exit executive  
236 times are missing.

237

238 **BY: Crum SECOND: RedEagle**

239

240 **To: 2-193 Oil and Gas Expo**

241 **Joseph B. Sonny Abbott, Jr. Y Curtis O. Bear Y**

242 **Cynthia Boone Y Melvin Core Y**

243 **Galen Crum; Y Myron F. Red Eagle Y**

244 **Dudley Whitehorn Y Andrew Yates Y**

245 **ROLL CALL: AYE 8 NAY 0**

**MOTION: X PASSED                      FAILED**

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**Christmas Celebration:**

Bear: reads on what sponsorship consist of.

Boone: Ask if they would like to just donate the money instead of doing the sponsorship.

Yates: States how they use the money to put on summer camps, etc.

Crum: States how filling the chairs also helps raise money for the auction.

Boone: States that she will buy her own ticket and will not be setting at the table.

Stephanie Erwin: States that she thinks it would be better.

Linda Heskett: Ask if they go to Greyhorse and Fairfax.

Yates: States the “Yes, they do.”

**BY: \_\_Bear\_\_ SECOND: \_\_Abbott\_\_**

**To: Christmas Celebration**

**Joseph B. Sonny Abbott, Jr. \_Y\_\_**

**Curtis O. Bear \_\_Y\_\_**

**Cynthia Boone \_Y\_\_**

**Melvin Core \_Y\_\_**

**Galen Crum; \_Y\_\_**

**Myron Red Eagle \_Y\_\_**

**Dudley Whitehorn \_Y\_\_**

**Andrew Yates \_Y\_\_**

**ROLL CALL: AYE\_\_8\_\_ NAY\_\_0\_\_**

**MOTION: \_\_X\_\_ PASSED \_\_\_\_\_ FAILED**

**Kevin Blake IHS:**

Kevin Blake: Wants to make current production rise. IHS is a good opportunity for even the international producers.

Crum: States he thinks it should be persued.

RedEagle: States it is another phase with the BIA.

Linda Heskett- “What specific information are you looking for?”

Kevin Blake: Mainly the Royalties, maybe some other information.

**Kevin Blake IHS:**

Crum: Says he is not here and doesn’t know how it got on there.

292 Yates: Says he figured he'd want it on there.  
293  
294 Crum: Says that the guy wants reimbursed and it is not happening unless someone  
295 wants to pay it.  
296

297 **BY: \_\_\_Crum\_\_\_ SECOND: \_\_RedEagle\_\_\_**  
298 **To: Color single ad picture from S510 for Newsletter**  
299 **Joseph B. Sonny Abbott, Jr. \_Y\_\_\_ Curtis O. Bear \_\_Y\_\_**  
300 **Cynthia Boone \_\_Y\_\_\_ Melvin Core \_\_Y\_\_\_**  
301 **Galen Crum \_\_Y\_\_\_ Myron Red Eagle \_\_Y\_\_**  
302 **Dudley Whitehorn \_Y\_\_\_ Andrew Yates \_Y\_\_\_**  
303 **AYE\_8\_\_\_ NAY \_\_\_**  
304 **MOTION: \_\_\_X\_\_\_ PASSED \_\_\_ FAILED**

305 **10. Adjournment**

306  
307 **MOTION TO ADJOURN AT: 2:23\_\_\_**  
308 **BY: \_\_\_Crum\_\_\_ SECOND: \_\_RedEagle\_\_\_**  
309 **Joseph B. Sonny Abbott, Jr. \_Y\_\_\_ Curtis O. Bear \_\_Y\_\_**  
310 **Cynthia Boone \_\_Y\_\_\_ Melvin Core \_\_Y\_\_\_**  
311 **Galen Crum \_\_Y\_\_\_ Myron Red Eagle \_\_Y\_\_**  
312 **Dudley Whitehorn \_Y\_\_\_ Andrew Yates \_Y\_\_\_**  
313 **AYE\_8\_\_\_ NAY \_\_\_**  
314 **MOTION: \_\_\_X\_\_\_ PASSED \_\_\_ FAILED**

315 Minutes submitted by: Secretary, Ciaradon Carpenter

316 Minutes approved by: \_\_\_\_\_