

1 **OSAGE MINERALS COUNCIL**

2 **Meeting Minutes**

3  
4 **December 13, 2013**

5 **1. Call to order**

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

7 **2. Opening Prayer -**

8 Opening Prayer– 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  late 10:18\_                              Andrew Yates  P   
16

17 The following members of the audience signed the guest register:

18  
19 **Larry Lester, Stephanie Penn, Mary Johnson, Joyce Whitewing, Tim Pinney,**  
20 **JL Holt, Richard West, Rene Henry, JH, Jamie Sicking, Linda Heskett, Julie**  
21 **Wilson, Rob Lyon, Jane Meyer, Candy Creek Crusher, Jeff Henry, Patricia**  
22 **Bright, Ray McClain, Nona Roach, Brian Ross, Gene Bowline, Sharon Long,**  
23 **Jinx Geurin**  
24

25 **4. Minerals Matters- Charles Hurlburt, Supervisory Petroleum Engineer**

26  
27 Hurlburt: Secheduled deadline nominations for lease sale January 17 for March sale.  
28 Minimum bids acceptable? Ready to be prepared for order of sales.  
29

30 Small waterflood- G.I. Joe; 1 quarter has no wells and have been plugged out. The buyer  
31 said that so they are working on getting it terminated. Will write a letter demanding  
32 development and if not the they can take it out. He (buyer) wants to surrender the quarter  
33 section of lease and negotiate a new lease on it. The new buyer is concerned that they  
34 would make it hard for him and wouldn't get his well drilled. Variety of good reasons; 1.  
35 Has a well. 2. Royalty will go up. 3. Get money for lease.  
36

37 Abbott: States Minerals Council has already turned down leases this year. Is there any  
38 way he can just release quarter section and new one put up for nomination?  
39

40 Hurlburt: Yes, a possibility. Timing was bad to negotiate but good for lease sale.

41 Abbott: Time limit for termination?

42 Hurlburt: States not a termination, Superintendent demands development or release.

43 Owner doesn't want it?

44 Abbott: Mr. Core can answer better.

45 Core: He stated that he would build a well. Could he get a farm out on that?

46 Hurlburt: He could certainly, that was the idea.

47 Core: I think drilling is more important than the farms.

48 Hurlburt: Again, the benefit for the tribe having the new lease is the increase royalty too,

49 but he can get famred out and that would probably keep us from requiring

50 developmentbut if he's willing to give you another shot at the time he was going to at

51 least offer it to you.

52 Crum: I'm going to ask the same question Sonny asked but more directly. The problem of

53 having to give the a notice and waiting for that would not come into play on this

54 particular situation. Once he's released it, it is released because January 17<sup>th</sup> is not

55 enough time to get appeals.

56 Hurlburt: What we would have to do is write the letter and he's assured me and I'm

57 assuring you that he has assured me that he would not fight it.

58 Crum: OK

59 Hurlburt: That doesn't mean he won't wake up tomorrow and have a different idea.

60 Yates: Charles, going back to the resolution for a lease sale. We discussed that and I

61 thought we had that under control but you need resolutions specifically stating when we

62 want that lease sale.

63 Hurlburt: Also, if you wanted 1 or 2. We talked about it but I didn't remember what you

64 said.

65 Crum: Mainly says we said March, but not a definite date. That would need to be in that

66 list.

67 Yates: The first date was a little (inaudible) because we were trying to schedule it with an

68 Oil and Gas Summit and I am not sure we have that nailed down. We're trying to move it

69 up from November to possibly October or September. SO it would give us a little bit of

70 time to work out the particulars on the Oil & Gas Summit.

71 Hurlburt: It is totally at your discession.

72 Abbott: Ask what the March 17<sup>th</sup> date is.

73 Hurlburt: January 17<sup>th</sup>... If we have the lease sale when expected, my nomination would

74 be January 17<sup>th</sup>.

75 Abbott: I just wrote the wrong month.

76 Hurlburt: Sale would be 3<sup>rd</sup> Wednesday of the month, assuming unless council says

77 different to use same minimum bids.

78 Yates: That's the question I was coming back to that you mentioned, I see no problem

79 with that, She mentions it why?

80 Hurlburt: Just to be sure. The statue says the only body decides that is you, the council.

81 Yates: Went through some resolutions changing the minimum and I think we're fine.

82 Does anyone have any problems with the minimum and everything we set forth?

83 Crum: Next week we'll have to have a resolution and vote on it.

84 Abbott: Does he need to add it in the resolution?

85 Yates: We're not changing the minimum and everything, just maybe the date.

86 Abbott: Charles, not changing the minimum. Does it need to be in the resolution?

87 Hurlburt: We just need to know what you want.  
88 Abbott: OK.  
89

90 **5. Administrative Matters** – Robin Phillips, Osage Agency Acting Superintendent

91 Hurlburt: Talked to a field man training for him went good. At least one guy passed the  
92 test and finished with first phrase that will continue over a year roughly every 2 months  
93 in 6 sections. We have a job open for field men now. Specifically to Andrew, because he  
94 is the head of the well plugging committee, they would like to have an actual course for  
95 plugging a well, not any specific one. Like to be able to say Well “?” cost this much to  
96 plug. Knows they have invoices and if can be provided to anybody.  
97 Yates: Is the problem with just having one because I could give her a low bid cost or high  
98 bid cost? They’re all in between.  
99 Hurlburt: They asked me for this and I didn’t have hard numbers but I gave a low  
100 estimate and high estimate. It’s from almost nothing to almost everything. They didn’t  
101 like the range. She asked for a particular well and when she did I said the trials plugging  
102 people have the actual cost. So I kind of threw you under the bus and sorry about that but  
103 if she wanted to to depending figures that’s the only place I knew we could get one that  
104 we would believe.  
105 Crum: Discussing field men program to become certified PET. Everyone in BIA should  
106 eventually get it. If you fail any portion you have to re-do it.  
107 Hurlburt: We have 3 instead of 4 because people doing training had 4 slots, and they had  
108 to get slots open for ours to go.  
109 Abbott-Does training on gas meters and calibrating them?  
110 Hurlburt: Park of training. Doesn’t know how its split out so don’t know whether they  
111 have that segment this time but when they’re ultimately certified yes it will.  
112 Yates: Any more questions?  
113 Core: Ask if the BIA has list of producers?  
114 Hurlburt: Replies not good list. Have to have some idea with 3<sup>rd</sup> arbitrator demand have  
115 to have some idea who to pick and during the Negotiated Rulemaking. Our list was 1 guy  
116 and he said he wasn’t doing it anymore. We got more volunteers. Don’t know how it will  
117 change. Maybe using certified arbitrators from outside the area but mixed emotions about  
118 it. Would be more expensive for one. Won’t have imminent knowledge of value of  
119 property but will be able to find knowledge of value of property but will be able to find  
120 knowledge pretty quickly and if decided to do it then will be nobody.  
121 Core: Former ones?  
122 Hurlburt: Want someone impartial and knowledgable about land values, willing to do for  
123 low-pay. Most former ones have passed or poor health or don’t want the headache.

124

125 **6. Executive Session**

126 A. Bob & Bill Sullivan – Sullivan & Company

127 B. Pat Miser – CVR

- 128 C. Dan O'Toole – Encana
- 129 D. Bill Lynn- Lamamco
- 130 E. Charles Wickstrom – Spyglass
- 131 F. Cynthia Boone – Wind Farm Letter (executive session requested by the Chairman)

132  
133

134 MOTION TO ENTER EXECUTIVE SESSION AT 10:21  
 135 BY: Crum SECOND: Red Eagle  
 136 Joseph B. Sonny Abbott, Jr. Y Curtis O. Bear Y  
 137 Cynthia Boone Y Melvin Core Y  
 138 Galen Crum; Y Myron F. Red Eagle Y  
 139 Dudley Whitehorn Y Andrew Yates Y  
 140 YAY 8 NAY 0  
 141 ROLL CALL: MOTION: X PASSED \_\_\_\_\_ FAILED

142  
143

**INTERMISSION**

144  
145

146 MOTION TO END EXECUTIVE SESSION AT 11:30  
 147 BY: Red Eagle SECOND: Crum  
 148 Joseph B. Sonny Abbott, Jr. Y Curtis O. Bear Y  
 149 Cynthia Boone Y Melvin Core Y  
 150 Galen Crum; Y Myron F. Red Eagle Y  
 151 Dudley Whitehorn Y Andrew Yates Y  
 152 YAY 8 NAY 0  
 153 ROLL CALL: MOTION: X PASSED \_\_\_\_\_ FAILED

154  
155

**7. Old Business**

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A. Core-Resolution 2-166A

158  
159

Core: Resolution needs to be changed from #1 to #2 to read 2-166A. Council disagreed on 2-166 voted to change to new resolution 2-166A. 2-166 3 favored 5 opposed.

160  
161

Yates: States that 2-166 was a double negative and 2-166A was changed so it wouldn't be.

162  
163

Boone: Shouldn't we leave it as 2-166 and why is this one 2-166A? Shouldn't we leave it as is?

164  
165

Yates: States he wants to read it over.

166  
167

Crum: States council should wait until Wednesday to vote.

168

Red Eagle: Ask if council should rescind it and start all over again.

169  
170

Stephanie Erwin: What is the difference? Is it to change resolution in March 2012? April was voted to go along with BIA? Is it the same resolution?

171 Boone: 2-166 is 'Are you in favor of rule changes 5 voted no we are not but because  
172 of the double negative in resolution and the way votes are recorded it gave confusion  
173 to some people who looked at it. All 2-166A is, is to remove the double negative so  
174 that it will be clear that 5 of us are against it, 3 people are for it.

175 Erwin: OK

176 Boone: So to me it would be just a vote of converting the voting record that's already  
177 on a file of a 5 to 3 on the new resolution.

178 Erwin: OK, I understand all of that but I'm going to take it a step farther but because  
179 those 3 voted to go ahead and go with the negotiated rulemaking and they didn't do  
180 exactly what the minerals council wanted to do since it was general concession that  
181 you all wanted more time. Is there any liability? Did you all discuss that with your  
182 attorney? Is there any liability that they didn't do what the minerals council wanted?

183 Boone: I see what you're saying. We haven't talked to our attorney about that, that I  
184 am aware of.

185 Erwin: I'm just curious because if there is any negative impact somebody has got to  
186 be responsible for it. I was just curious if all talked to the attorney about it.

187 Crum: Original motion didn't just talk about more time about if we did not agree  
188 with the deal. Of the 4 that were against going forward with the negotiated  
189 rulemaking. Only 1 I ever heard say their reason was more time.

190 Erwin: That's why I said Mr. Bear...

191 Crum: So your statement for just more time but not exactly, correct?

192 Erwin: But you're not representing us as shareholders?

193 Crum: I stand by mine 100%.

194 Erwin: I understand that but the liability of it since we had the Fletcher case. I'm just  
195 curious if you all ever talked to your attorney about that... Thank you.

196 Yates: The answer is no.

197 Erwin: Thank you.

198 Yates: Discussion.... Wait until Wednesday to vote, so we can review this? Ok,  
199 anything else?

200

## 201 8. New Business

202 A. Yates: Paul Revard – Revard Petroleum LLC

203 Yates: States Paul Revard contacted him and said problem was resolved and lets  
204 everyone know January meeting will be held at cultural center due to Chiefs trial.

205

206 B. Yates: Oil & Gas Summit – Rick Torix

207 Yates: Chairmanship is bid at \$20,000 and web-site development bid at \$12,500.  
208 Total of \$32,500.

209 Abbott: What about his salary? Is it in here?

210 Yates: Yes, \$20,000.

211 Boone: So we are going to increase our Chairmans pay from \$10,000 to \$20,000  
212 and then we're going to pay him an extra \$12,500 for web-site development?

213 Yates: Yeah, this looks like a due start-up cost associated.

214 Boone: Is there any reason why we?... I don't know that web-site development for  
215 \$12,5000 just sounds a little bit high.

216 Yates: Mr. Crum?

217 Crum: Mr. Chairman, this is just the proposal we received. There's certainly  
218 things to be looked at.  
219 Abbott: When is the deadline on approving this?  
220 Yates: At the last meeting we had, he needed it done pretty quick so we could  
221 start looking at venues and if we're moving the oil lease sale up to October or  
222 September then we'll need to know pretty quick because he'll need to contact the  
223 venues where we're going to have it and we haven't decided if we're going back  
224 to the Hard Rock, somewhere downtown, or otherwise. So we do kinda need it to  
225 be fairly quick because of those reasons. Yes, Mrs. Boone?  
226 Boone: Haven't we decided to go ahead and keep him as our Chairman anyway?  
227 Did we discuss that?  
228 Yates: It's a consensus. We don't have anyone else.  
229 Boone: I don't have a problem with that but knowing that he's going to to be our  
230 chairman, can't he go ahead and get his venues? Give some kind of information  
231 about that without having this agreement right now?  
232 Yates: I think he needed it right now because he didn't want to do all this work  
233 and not be hired. Mr. Bear?  
234 Bear: Before I agree to anything I would like to see Mr. Torix in here with us.  
235 Yates: I did tell him we needed him today but he can come next Wednesday and  
236 maybe farther explain about that.  
237 Crum: I think Ciaradon has some information on that.  
238 Ciaradon Carpenter: It is sleeting in Tulsa, he wasn't going to up here for that  
239 reason. He said he will be here Wednesday if you all have any farther questions.  
240 He apologized but the sleet was kind of weather permitted and he didn't make it,  
241 but he was coming today.  
242 Yates: Thank you Ciaradon. Its on the agenda for Wednesday and Rick will be  
243 here to explain some of it.  
244

#### 245 C. Meeting Dates

246 Yates: All we need to do is approve meeting dates to vote on Wednesday.  
247 Boone: Do any of the meetings fall on holidays this year?  
248 Yates: States February 14<sup>th</sup> is Valentine's Day, but I don't think that is a national  
249 holiday.  
250 Ciaradon: Valentine's Day is the only council meeting that falls on a holiday this  
251 year.  
252 Yates: Ok we'll vote on that day.  
253

#### 254 D. Boone – MOU Nature Conservancy

255 Boone: Wanting to know why we don't have a copy of Chief signed MOU with  
256 with Nature Conservancy and was wondering why we couldn't get a copy of that,  
257 do we have a copy, and we don't have a copy, can we get a copy? We're paying  
258 for all this... don't you think we should get a copy?  
259 Yates: We can request a copy.  
260 Boone: Makes motion to have Chairman write to executive branch and ask for a  
261 copy of the memorandum of understanding.  
262 Yates: I'll see if we can get a copy of that.

263 Boone: OK. Thank you.

264

265 E. Core – Cola

266 Core: States that it is a 1½ increase for council that would start October 1<sup>st</sup> and  
267 motions to pass. Other council members state they want to research it and vote  
268 Wednesday.

269

270 F. Boone – Meeting Update over Windfarm

271 Boone: This pertains to the meeting. Mr. Yates do you remember when you and  
272 Mr. Crum were going to a meeting and I sent you an email and you said “I didn’t  
273 tell you about it because you were on the phone.” Ok and then November 15<sup>th</sup> you  
274 weren’t here then Mr. Crum was over our Chairman and at that time there was a  
275 discussion about a telephone poll that I was requested to participate in regarding  
276 a Chapparel letter and I didn’t have the Chapparel letter. My conversation was  
277 based around the part that I didn’t dispute the contents on the letter was, what I  
278 was disputing was a procedure that was used because I didn’t have enough  
279 information to make a good informed decision.

280 Yates: OK

281 Boone: OK... and during that conversation I had made the comment that all of the  
282 council people need to be privied to the same information and I said that not once,  
283 but twice. Then I find out there was another meeting scheduled that following  
284 Monday with members of the Executive branch and Galen Crum. I didn’t know  
285 anything about that meeting either. So I am just wondering why I’m not being  
286 informed about meetings that are happening that are involving us?

287 Yates: That’s a good question. I dropped the ball on the letter from Chapparel  
288 because we had some communication with several attachments and I thought the  
289 letter was part of some of the attachments that Ciaradon put in everyone’s box on  
290 that and I dropped the ball on that. I just assumed that the letter was in there with  
291 all of the attachments and there were several attachments that were placed in  
292 everyone’s box.

293 Boone: And again it was the procedure. That letter didn’t develop just in a day or  
294 2. In the recorded message, Mr. Crum, I believe you said you had been working  
295 on this in a month advance. At no time during the last month, the month prior to  
296 this, date of 11-18 was I ever informed of anything that was going on with that at  
297 all. I believe that Linn Energy was supposed to be involve with that meeting on  
298 the 18<sup>th</sup> as well. Is that not true Mr. Crum?

299 Crum: I don’t know what the 18<sup>th</sup> is to tell you the truth.

300 Boone: It was a Monday following our Friday meeting. I believe the meeting took  
301 place in Tulsa.

302 Crum: No, the only meeting I’ve ever had was right here.

303 Boone: No, Linn wasn’t there, but there was reference to fact Linn was supposed  
304 to be there and I didn’t know anything about that either.

305 Crum: Back to the original deal where I worked on Chapparel getting letters for  
306 us or taking a position. I first asked the Chapparel contact person for us if they re-  
307 thought their position any especially since they were doing the CO2. He said, he  
308 informed me they had some fashions, that the new CEO, Mr. Scott Weiner, that

309 he had been opposed to it the first time that he had gave them a letter. I called it a  
310 mutual non-aggression pact. They were going to file against them and they hoped  
311 they would get along. They wouldn't sign the letter that we know about from way  
312 back they tried to get Chapparel to sign. As to informing you every time I talk to  
313 somebody about doing something for someone I'm not going to do that until I get  
314 something going.

315 Boone: I didn't ask for that.

316 Crum: Yes you did. You started back on that month. I told you I had been  
317 working on it. The actual letter did not come out until the Friday or Monday of  
318 our meeting. We didn't get to see it until Tuesday morning the meeting your  
319 talking about. Anyways, it was a day or two before. We worked about it and  
320 talked about it. I talked to Mr. Warner at the summit. He agreed that he would do  
321 something like that. We got him in touch with our attorneys for that, went back  
322 and forth til right before. Was shocked because Mrs. Boone hadn't received letter.  
323 Abbott-Happy council got the letter and who put it in there isn't a concern.  
324 Crum-Linn Energy only time was in Council executive session. Asked if they  
325 were interested in Linn Energy. Got them in touch with attorneys and letter was  
326 made.

327 Boone: States again that it was the procedure not the letter itself. Not informed of  
328 meeting. All council members should be informed. Let records show she was  
329 elected to represent Headright owners. Says Yates is giving information to certain  
330 people in Minerals Council only. Being treated unfairly because current Chairman  
331 is with-holding information that could be for her constituents. Chastised for going  
332 to meeting once. Mr. Abbott said I wasn't following the rules. Rules in Policy say  
333 if not enough time for a special meeting to do a telephone poll. Never received  
334 telephone poll vote for any of it. I want to be informed.

335 Abbott-In the record. Now can we move on?

336 Red Eagle- Yeah. I think there is some personalities getting involved here and its  
337 not personal its business. I ddint see anything in my box. I could've missed it to. I  
338 think the point in all of this is we are all against the Windfarm because of our oil  
339 production and who wrote the letter doesn't matter Chapparel is the one who got  
340 behind us and is backing us up. There is procedures then again timeis of the  
341 essence in cases like this. Quicker you get supports better off you'll be.

342 Yates: In defense of Galen. I didn't know anything about that meeting til I was in  
343 Washington and I couldn't make it so I asked Galen to go in my place. So there  
344 wasn't no time.

345 Crum: I did not know about the meeting but she says I knew about the meeting  
346 but she says I knew about it. I did not know at that point. Had new information  
347 about Chapparel. No time and uncertain about things...

348 Boone: Just ask that I be informed.

349 Erwin: Ask about permit and Eagles. Her and Crum discuss it. Says they're  
350 changing rules on Eagle feathers and such.

### 351 G. Crum-Improvement Meeting

352 Crum discusses about questions about BIA. Surface owner problems and how to  
353 get BIA involved, water right, Talks about subsurface, restricted land and  
354 negotiated rulemaking, Enbridge, and CFR's.



355

356 **9. Committee Reports:**

357

358 **1. Election Committee-Abbott**

359 Election meeting tomorrow on Saturday.

360 **2. Budget Committee – Abbott**

361 (No new information)

362 **3. Media Committee – RedEagle**

363 Website still down.

364 **4. Liaison Committee- Crum**

365 (No new information)

366 **5. Scholarship Committee- Core**

367 Crum: Supposed to do fill them out on their own each semester. Haven't received it  
368 yet.

369 Red Eagle: got an email from a recipient wanting to know of any companies doing  
370 internship or anything.

371 **6. Well Plugging Committee- Yates**

372 Yates ask if there was any movement on well plugging by highschool.

373 Hurlburt: states its in process.

374 Yates: Says he called guy up by Hula that was supposed to be plugging 5 wells and  
375 the guy forgot about it. Said he will get to it just had been not doing it with weather.

376 Bear: How many wells have we plugged this year if we forgot those 5?

377 Yates: Don't believe we plugged any is that correct?

378 Hurlburt: May have been a few.

379 **7. Policy/Procedure –Boone**

380 Boone: Says a few things were changed. Not much changed. Says the changes are  
381 highlighted.

382 Crum: Notification needs to be more clear for no work or late.

383 Boone: Secretary is making copies of grevience since it wasn't in books.

384 **8. 1906 Act – Bear**

385 **9. Adjournment**

386 **MOTION TO ADJOURN AT: \_1:00\_\_**

387 **BY: Abbott SECOND: Galen**

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

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

389 Cynthia Boone \_\_Y\_\_

Melvin Core \_\_Y\_\_

390 Galen Crum \_\_Y\_\_

Myron F. Red Eagle \_\_Y\_\_

391 Dudley Whitehorn \_\_Y\_\_

Andrew Yates \_\_Y\_\_

392

393            **AYE**   8   **NAY** \_\_\_\_\_  
394            **MOTION:**   X   **PASSED** \_\_\_\_\_ **FAILED**

395    Minutes submitted by: Secretary, Ciaradon Carpenter

396    Minutes approved by: \_\_\_\_\_