

# **OSAGE MINERALS COUNCIL**

## ***Meeting Minutes***

**October 16, 2013**

**1. Call to order**

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

**2. Opening Prayer -**

Opening Prayer and Reading of deceased Osages– Councilman Galen Crum

**3. Roll call**

The following Minerals Council persons were present:

Joseph B. Sonny Abbott, Jr.   P  

Curtis O. Bear   P  

Cynthia Boone   P  

Melvin Core   P  

Galen Crum   P  

Myron F. Red Eagle   P  

Dudley Whitehorn   P  

Andrew Yates   P  

The following members of the audience signed the guest register:

**Ray McClain, Tom Lackey, Bob Sullivan, Bill Sullivan, Patricia Bright, J. Geurin, LeeAnn Ammons, Marcy Glony, Joyce Whitewing, Leslie Young, Ann Abbott, Connie S., William Lynn (Bill), Stephanie Penn, Julia Roe, Rick Torix, Linda Heskett, Julie Wilson, Jamie Sicking**

**4. Tribal Accountant Reports-**

A. Leslie Young – C395

B. Julia Rowe – S-510

**5. Auditor Report – Jim Swan**

Mr. Swan had no report due to BIA being closed.

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

Mr. Hurlburt was not present to give a report due to BIA being closed.

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

Mrs. Phillips was not present to give a report due to BIA being closed.

**8. Executive Session**

- A. Billy Lynn - Lamamco
- B. Charles Wickstrom - Spyglass
- C. Bob & Bill Sullivan – Sullivan & Company

**MOTION TO ENTER EXECUTIVE SESSION AT 10:23**

**BY: Red Eagle SECOND: Crum**

Joseph B. Sonny Abbott, Jr. Y Curtis O. Bear Y  
Cynthia Boone Y Melvin Core Y  
Galen Crum; Y Myron F. Red Eagle Y  
Dudley Whitehorn Y Andrew Yates Y

**ROLL CALL: MOTION: X PASSED \_\_\_\_\_ FAILED**

**MOTION TO END EXECUTIVE SESSION AT 11:14**

**BY: Abbott SECOND: RedEagle**

Joseph B. Sonny Abbott, Jr. Y Curtis O. Bear Y  
Cynthia Boone Y Melvin Core Y  
Galen Crum; Y Myron F. Red Eagle Y  
Dudley Whitehorn Y Andrew Yates Y

**ROLL CALL: MOTION: X PASSED \_\_\_\_\_ FAILED**

**MOTION: BY Core**

**TO: accept Lamamco 6 month lease on SW NW and SE NW and NE NW 34-25 N 8-E for a total 120 acres to use well as a salt water disposal**

**SECOND: RedEagle**

Joseph B. Sonny Abbott, Jr. Y Curtis O. Bear Y  
Cynthia Boone Y Melvin Core Y  
Galen Crum N Myron F. Red Eagle Y  
Dudley Whitehorn Y Andrew Yates Y

**AYE 8 NAY \_\_\_\_\_**

**MOTION: \_\_\_\_\_ PASSED X FAILED**

**MOTION: BY Abbott**

**TO: Accept Spyglass offer/includes payment of \$640,000 for prepayment of leases by December 31, 2013**

**SECOND: Crum**

Joseph B. Sonny Abbott, Jr. Y Curtis O. Bear Y  
Cynthia Boone Y Melvin Core Y  
Galen Crum Y Myron F. Red Eagle Y  
Dudley Whitehorn Y Andrew Yates Y

**AYE 8 NAY \_\_\_\_\_**

MOTION:   X   PASSED \_\_\_\_\_ FAILED

9. Old Business-

A. Crum – Proposed CFR Change Facts

I've been trying to tell people as many things as I read about all the time, statements in the papers, statements in everything else about the CFRs, the proposed CFRs. There are three areas that I want to talk about: the Cushing NYMEX monthly average price that we proposed to go to as our royalty price point is unattainable; the second one that ties with that is doing it and the changes in the money would be catastrophic to the producers and it would cause them not to be able to operate; and the third one is that in some fashion BLM will be taking over operations with the Osage. So I want to go over those three areas and I did put together a power point. These graph slides...I'll be showing you four of them were prepared last year while we were in the NRM process. And we made them known to the producers. I had a company below each one of those bars that works in the Osage. They were picked at random except we wanted to have some of the biggest producers by volume and some of the smallest. You probably won't be able to see the very smallest companies represented here, there's sixteen companies. Because in order to have a full quarter and show the different months we needed to be able to sell oil in one of the quarters. So there's probably some companies that will be smaller that you won't see here that wouldn't be able to sell oil during each quarter. But these will be representing a wide spectrum. As we told the producers at the time that we had a significant amount of oil being sold at higher than the NYMEX price. Also if you look at the deal you will see where HPP is, which we've maintained at the bottom of the market. And on this picture slide here...all this information by the way came from the BIA...this is Osage sales data. And the NYMEX information came from their published quarterly. So, as you can see on this picture slide we have two companies that are selling below NYMEX and two above. So you can right there that we obviously have people that are selling above NYMEX price. You might say, "well...how much oil does that actually represent?"

Power Point Presentation with slides: see attached slides

B. Approve Meeting Minutes

RedEagle: As of the last meeting I talked it over with Ciaradon Carpenter and she's responsible only for the minutes so if anyone has any questions about the minutes they can direct them only to Ciaradon. None of the other secretaries have anything to do with at all. So no need to talk to any other secretaries about the minutes. Boone: I went over the

meeting minutes this time and I found the same number of mistakes in Mrs. Carpenter's minutes as I did in Mrs. Rackliff's minutes. But the reason we always brought these meeting minutes to the full Council was because we didn't have any office managers at that time. My recommendation is that you officer managers look these meeting minutes over since you do the performance evaluations anyway. And you clean them up before you send them over here. We (Council members other than officer managers I presume) have better things to do than sit here and go line by line criticizing somebody's ability to do a meeting minutes accurately. So I'd rather it be done with the officer managers and let them present the corrected copy to us. Bear: I have a question...how long does it take to do the minutes? I've been in the office and I've seen the girls working on it. Ciaradon Carpenter: Do listen to it play-by-play if nothing else comes in phone, trusts or anything...a full day and a half. Boone: If both (there are actually 3 not 2) of our staff are equal in pay and equal in job responsibilities why has Mrs. Carpenter been given that task to do? RedEagle: Because she's accepted the responsibility for the questions. Boone: So she wanted to do it? RedEagle: Yes she did. Boone: (looking at Carpenter) Is that true? Never mind don't answer that. Yates: Anyone want to make a motion to approve them or table them? Crum: Councilwoman Boone has a list of corrections she wants done so maybe she can get with Ciaradon and have those corrections made and we can table them until those are made and vote on them the next meeting. That way we don't have to go through them line-by-line. One of the things though is that the Council actually has to approve the minutes at the end though because the minutes become the official record of the meeting. So you have to be careful there with the corrections that you make there that you can show them on the tape and stuff, so that something isn't changed that we don't catch. And then the wrong thing gets put into and the original minutes may have been correct. And so I caution people who want to go through them, but also we did have a bunch of very small mistakes that didn't change the meeting but did change the words that was brought to our attention last time. So perhaps we can correct those and then come back and do them at the next meeting. And so I suggest we table them. Boone: These minutes have already been provided for us for our correction...which is different than the way they have been handled in the past. I've already submitted my review to Mrs. Carpenter for correction so that they could be brought to us today for approval. So I will take no time today discussing mine, they've already been discussed with her. Crum: I will remove my request then because I didn't know that was the case. I thought we were getting ready to do several minutes of corrections. Boone: Was I the only one who looked over these minutes for errors? RedEagle: I read them. I didn't find anything wrong. Yates: Maybe he looked over the corrected version. Ciaradon Carpenter: They went out the first and they went out the beginning of last week with her corrections. Boone: So this is the

corrected version here. Yates: Any other corrections? Make a motion to table or approve? Boone: I make a motion that we approve the minutes. RedEagle: I'll second.

**MOTION: Boone BY: RedEagle**

**TO: Approve the minutes**

**SECOND:**

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

**Curtis O. Bear \_N\_\_ Cynthia**

**Boone \_Y\_\_**

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

**Galen Crum \_N\_\_**

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

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

**Andrew Yates Y\_\_**

**AYE \_\_7\_\_ NAY \_\_1\_\_ MOTION: \_\_X\_\_ PASSED \_\_  
\_\_ FAILED**

- C. Core – 2-166 Resolution
- I wanted to move to resend per advice resolution # 2-166 for the Council to review the old rules and regulations,,for several most of the..a majority of the Coucिल don't agree with this. Down below it states that we voted for it and it failed. We can't have it both ways here. We can't have Council all in favor of it in one place and then voting against it another place. So, I recommend that this resolution be re-written to agree to that. Yates: Are you making a motion? Core: Yes. Yates: Do we have a second? Boone: Second. Crum: I'm not sure we can go back in and change a resolution that was done that long ago. We can most definitely do it by resending this one and putting a new one in, by adding a new motion. I may be wrong but it seems like we should resend that one or maybe even have a new one that overrides that one. However you want to do it, I don't know. But I don't think you can actually work on this one. Core: This is just a suggestion, but why don't we let our attorney do that? Boone: Exactly!!! Yates: So your suggestion Mr. Crum, let him finish, is to resend 2-166 and submit a new resolution that they lack..to replace it? Crum: Yes. I don't think technically we can wipe out one that we already did. Abbot: You're moving to vote to resend? Crum: Actually I didn't make the motion...it's just point of discussion. Most certainly you should never have a motion that is negative. It should always be positive. This one actually was intended to be voted down. Someone signed it saying it was adopted by a vote of 3 in favor 5 opposing it, when it was actually defeated. Because the motion says that the Council agrees with everything. And so this picture of the resolution was defeated and so you can extrapolate that the entire Council did not think it was a good idea. But normally motions are made that you are in favor of and you do it that way. But like I said, I don't know who that idiot was..oh it was me...that signed the dang thing. Patricia Bright: Under what authority does this Council have to override or tell a Federally appointed committee, the rule making committee, what to do? Federal always trumps Tribal and that's how it's always been ever since we started dealing with the white man. Boone: I suggest that we go ahead and vote on Mr. Core's motion to clarify this resolution. Yates: I

bet you do. Let's continue discussion. Crum: I was going to respond to Mrs. Bright's comment. And actually the Minerals Council has a right to state their opinion about how this should happen. And it gets sent in...the body of the work. The secretary will look at it as they approve or disapprove the rule changes. So the Council has the perfect right to do that, but they're just doing that as that entity. Yates: Any other questions or discussions? Crum: What's the new wording going to be? Yates: Well its in our books. The old one is in there and its 2-166 and the old one is 2-201. Crum: Just a second. Yates: Would you like to read it Mr. Core? Core: This needs rewritten referring back to sections four and five of the new resolution. There appears to be some confusion to the way that 2-166 is worded. And there is a need to that the above signed written with clarity. Therefore we have resolved that it is in the best interest of our headright owners to have this resolution rewritten by our attorney David McCullough. And the Chairperson of the Osage Minerals Council is hereby authorized to sign the resolution. Yates: So you're asking just to refer this to McCullough for review. Core: Yes. Abbott: I'm confused so are we still resending this one? Yates: No. All we are doing is sending 2-166 to McCullough for review. Crum: I don't see why we have to pay McCullough \$250 for an hour to read that and do whatever it is he needs to do. When all that needs to be done is resend the one we have and put down there the upper the number three Osage Minerals blah blah blah...and well what you ought to do is have it re-voted and then say that the majority disagreed with Negotiated Rule Process. Yates: Mr. Core did you want to respond to Mr. Crum? Resend 2-166 and rewrite it as how it reads in 2-201?

• **MOTION: Core**

**TO: Review by David McCullough to clarify Resolution 2-201 re-write and resend 2-166**

- **SECOND: Boone**
  - **Joseph B. Sonny Abbott, Jr. \_N\_\_**                      **Curtis O. Bear \_Y\_\_**
  - **Cynthia Boone\_Y\_\_**                                      **Melvin Core \_Y\_\_**
  - **Galen Crum \_N\_\_**                                         **Myron F. Red Eagle \_Y\_\_**
  - **Dudley Whitehorn \_Y\_\_**                               **Andrew Yates N\_\_**
  - **AYE \_\_5\_\_ NAY \_\_3\_\_**
- MOTION: \_\_X\_\_ PASSED \_\_\_\_\_ FAILED**

D.Boone – Open Records Opinion

Boone: Last month we talked about providing transparency to everybody and at the time Ms. Heskett asked for a copy of attorney's legal opinion regarding the Open Records Act. And you'd answered yes and then she didn't get it. So it's going to be put to a vote now its for the Council to decide whether she should have a copy of the attorney's legal opinion of the Open Records Act. Yates: Do we have a copy of that letter anywhere in our book or anything? Boone: A copy of a letter? Yates: The letter she's requesting. Boone: No its not in our book. It's just the attorney's legal opinion for the Open Records Act. Yates: Sure. From McCullough? Boone: Yes. I make a motion

that we vote to allow one of our shareholders to have a copy of attorney's legal opinion about the Open Records Act.

• MOTION: BY Boone

• TO: allow one of our shareholders to have a copy of attorney's legal opinion regarding Open Records Act

• SECOND: Bear

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

• Cynthia Boone\_Y\_\_\_ Melvin Core \_Y\_\_\_

• Galen Crum \_Y\_\_\_ Myron F. Red Eagle \_Y\_\_\_

• Dudley Whitehorn \_Y\_\_\_ Andrew Yates Y\_\_\_

• AYE \_\_\_8\_\_\_ NAY \_\_\_5\_\_\_

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

E. Boone- Policy Resolution

Boone: One of the policies that we had that didn't pass last time was we were being too restricted on our Chairman in terms of how he could speak to the media. We had too many levels of authority, so this one kind of cleans that up and we removed the phrase approval from the media committee. We totally took that out. So that resolved portion of this resolution is that the OMC Chairman cannot speak to the media without the full approval of the OMC. However, the Chairman can speak to the media identifying himself as only a member of the OMC at any time. Boone: Motion. Bear: Seconds it. Abbott: I believe as a Chairman we got to have a spokesperson for our Council and the Chair is our spokesperson. To restrict him from speaking until a vote of this Council is just ridiculous. I could never support this. Patricia Bright: Shouldn't this be everybody on the Council if you're going to do it this way? And especially those that make comments that are different than what the Council voted. Boone: In the U.S. Constitution it gives us the freedom of speech. And so we afraid to speak. But because we are a governing body, and because we've had problems before with the Chairman providing information to the media that we were not all in favor of, that's why we wrote this up. And it said that if he wants to identify himself as a member only of the OMC then he's free to speak to whomever and whenever he wants to. But as the Chairman representing all of us, better have a vote for that. Patricia Bright: It goes back to what I say, that if you're going to write this up it should be everybody on the Council. And if they speak, they speak for themselves and not the entire Council. Crum: Actually I was going to concur with Mrs. Bright on this. The Chairperson, it will be particularly hard on him to make this play to he he's talking to. They are going to be identified as the Chairman. So its going to be difficult for them to always make that clarification, but I think if we are going to do this thing it should say that no Minerals Council member is allowed to speak for the entire Council without a vote. They should be identifying themselves "I'm a Council member and this is my opinion". And anyone of them can also speak..."I'm a Council member and this is the vote we took". And so the fact that it's the Chairman only on this its not covering everybody that can only speak for themselves. Whitehorn: Mrs. Boone, is that not already been acted upon? Boone: No we didn't get it passed last month. Its too restricted. Whitehorn: Last three years? Boone: No. Whitehorn: Its not in our policy right?

Boone: No. Bear: I want to make a comment. You know I don't have a problem with whoever's the Chairman speaking. But just like when we were in a meeting a while ago and in executive you know he expressed, "you know this is just my opinion". I've said that before and yeah they're going to put you as Chairman. To me, you know, its just one sentence you know...in my opinion, or these or my thoughts or this is how I feel about it. I don't think that's too much to ask you know. If they're representing the Council as whole I would like to have some input in it. That's the way I look at it as, I would like to have some input in it. Yates: I agree. You know I could almost see myself referring to myself in second person from now on. You know, or Minerals Council person or Andrew Yates the Chairman or you know restricted landowner, whatever. Mr. McClain: I'm trying to understand why the media committee is the one that has to approve anything. Boone: That was the problem with it in the first place and we took it out so it doesn't read like that anymore. Crum: As of discussion on this I will be voting against this as it is written, but not against the concept of any of us not speaking representing the rest of the Council without having the consensus of the entire Council on the subject you're speaking of and the opinion you're relaying. So I'm not against the concept but the wording of this I can't vote for. RedEagle: I agree with him. Maybe we need to reword it in a more specific way. Its plain and right now its really not covering everything. I'd probably have to vote against it too. Abbott: I agree with Myron. I just can't see tying our Chairman's hands down when they're might be a question of pertinence that needs to be answered right then and not after a phone poll vote. Patricia Bright: An example would be Mrs. Boone you all voted to support the amendments and the changes to the Constitution. Mrs. Boone campaigned rigorously against the amendments and changes to vote no and rarely did she say, "this is my opinion". She led everyone to believe that's what Council was saying too. Things like that happen. Mr. McClain: What you guys got proposed here sounds like another gag order to me. Boone: And to answer Mrs. Bright, I didn't have Chairman at the end of my name either when I was talking about the amendments. Patricia Bright: But you didn't say, "in my opinion". Crum: I'd like to call the question.

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- MOTION: BY Boone

- TO: Vote for policy resolution Part D-can speak for himself not the full body of the Council

- SECOND: Bear
- Joseph B. Sonny Abbott, Jr. \_N \_\_\_                      Curtis O. Bear \_ Y\_\_\_
- Cynthia Boone\_Y\_\_\_                                      Melvin Core \_N \_\_\_
- Galen Crum \_ N\_\_\_                                      Myron F. Red Eagle \_N \_\_\_
- Dudley Whitehorn \_Y \_\_\_                              Andrew Yates N\_\_\_
- AYE \_\_\_3\_\_\_ NAY \_\_\_5\_\_\_

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

**10.                      New Business**

**No report**



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- **11. Adjournment**

**MOTION TO ADJOURN AT:** 1249\_\_\_\_\_

**BY:** Abbott **SECOND:** Crum

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

Cynthia Boone \_Y\_

Galen Crum \_Y\_

Curtis O. Bear \_Y\_

Melvin Core \_Y\_

Myron F. Red Eagle

\_Y\_

Dudley Whitehorn \_Y\_

Andrew Yates \_Y\_

**AYE** 8 **NAY** \_\_\_\_\_

**MOTION:**   X   **PASSED** \_\_\_\_\_ **FAILED**

Minutes submitted by: Secretary, Ciaradon Carpenter

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