

1 **OSAGE MINERALS COUNCIL**

2 **Meeting Minutes**

3
4 **August 16, 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 Myron RedEagle**

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 P** **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, Tom**
22 **Thralls, Don Booth, Tony Anderson, J.R. Maddox, Dexter Hawk, Patricia**
23 **Bright, Ray McClain, Nona Roach, Brian Ross, Gene Bouline, Sharon Long,**
24 **Jinx Geurin**

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

27
28
29 **5. Administrative Matters – Rhonda Loftin, Osage Agency Acting Superintendent**

30
31 **6. Executive Session**

32 **No executive session this meeting**

33 **Intermission – agreed to skip**

34
35
36
37 **7. Old Business-**

38 A. Boone/Mail – I had asked for a report from the Executive branch. The Chair
39 was going to check on that and provide me with some information but I’ve been checking
40 my mail and I haven’t gotten anything. Are you updated with the Eagle issue and what
41 we are going to do in terms of the wind farm?

42 Chairman Yates: I believe we are going to bring that up in new business.

43 Councilman Crum: I want to comment a little more on this too...when I got this agenda I
44 had no idea what many of these things were, like email, subpoena, police. The reason we
45 post the agenda prior to the meeting is so people can look at the agenda and say “well I’d
46 like to be there for that subject”. There’s no way anyone can know what those mean and
47 we need to give something that gives just a little bit more information than this one word
48 thing that says nothing...I mean police? What does that mean. So, anyway, if we aren’t
49 doing our job by putting something into the agenda that tells people something...we just
50 need to post information in the agenda that tells people what’s going to happen in our
51 meeting.

52 Chairman Yates: Point well taken. I’m going to make a note to follow up with the
53 person who is sponsoring the information on the agenda from now on to make sure it’s
54 more informative.

55 **8. New business**

56 A. Oil refining/Bigheart/BobMcGee and Florence Tranum Bigheart – Florence states
57 that she’s confident in McGee and is trying to venture with his business. McGee presents
58 booklet and reminds Council of the initial discussion in March initiating topic of this
59 project. Discussion included joint venture with tribe. Didn’t happen. They now have
60 moved here to private land. McGee stated they are here today to get support from
61 Council to move forward with project. Project will supply 30-40 jobs in the area. We are
62 hoping for local people and to benefit the tribe.

63 Councilman Crum requests an overview. Mr. McGee gives an overview of the facility
64 and project including productivity information and equipment self-sufficiency.

65 Councilman Abbott: You’ve got gathering, processing and distribution. Would you be
66 doing any purchasing?

67 McGee: Absolutely...and I guarantee we’ll try to pay the lowest price we can.

68 McGee discusses adding to the Minerals Estate from various ways. Coming to a new
69 area supplies new jobs. He lists organizations and associations they approached and got
70 no response for. He discussed setting emission standards for compliance with EPA.

71 Councilman RedEagle: Bob since it’s a Minerals Estate, would dealing with the
72 corporation commission prolong the process or would it make it shorter?

73 McGee: The corporation commission has no interest.

74 Stephanie Irwin: Wheres the facility location?

75 McGee: Haven’t selected on yet.

76 Stephanie Irwin: And who did you ask for joint ventures with?

77 McGee: Osage Nation Energy Services and Osage Nation LLC.

78 McGee states that he hopes somewhere down the line the Minerals Council will want his
79 company to process oil for them, but going forward with the project isn’t contingent upon
80 that plan.

81

82 B. U.S. Fish and Wildlife Conference/Crum – Conference in Rapid City which is a
83 discussion held where different issues can be discussed. One of the things that will be

84 discussed is the Eagle situation. We want to send somebody up there to attend the
85 discussion. We will have to have a resolution to do that. The Nation will be sending two
86 which are Raymond Laslie and the Assistant Chief Scott Bighorse.

87

88 MOTION BY: Bear

89 TO: make a resolution to attend conference the 28th of August in Rapid City for Fish
90 and Wildlife discussion/Eagles SECOND: Crum

91 Joseph B. Sonny Abbott, Jr. _Y_ Curtis O. Bear _Y_

92 Cynthia Boone _Y_ Melvin Core _A_

93 Galen Crum _Y_ Myron F. Red Eagle _Y_

94 Dudley Whitehorn _Y_ Andrew Yates _Y_

95 AYE _7_ NAY _____

96 MOTION: _____X_____ PASSED _____ FAILED

97

98 C. Windfarm Expenditures/Crum – The Eagles are now the focus. It looks like they
99 are going to grant a 2-Eagle take permit. Part of the reason for this trip is to put pressure
100 on that idea. The cultural aspects are the next focus. Since the focus has changed, the
101 Chief should probably be the one to talk about Eagles instead of the tribal Council. It
102 will be a more effective voice for the people we are dealing with. We've been paying for
103 this. We should consider letting the Nation start picking up more of the tab. We would
104 like to have the Council agree to have Congress act on it. Chairman Yates and I went and
105 met with the speaker of the Congress and Assistant Chief Bighorse and just talked about
106 if they'd be willing and what the mechanism would be. What we discussed was the
107 mechanism would be for Congress to take it up in committee in the next session...and
108 give the money to the Attorney General who would then fund it. The lead guy would
109 come down and give a report on it. As far as I know there's no opening for a lawsuit at
110 this point. What it amounts to is we're making a lot of noise to keep the investors away.
111 We need to agree to say Yay or Nay that Congress start picking up some of the money
112 because the next session starts the first week of September. We will have a resolution
113 prepared by next Wednesday. Councilwoman Boone posed questions to the intent of the
114 resolution and its wording. Councilman Crum explained that the wording could reflect
115 the Council's agreement that it is appropriate for a separation of funds as far as cultural
116 aspects and aspects that pertain to the Minerals Estate. Councilwoman Boone suggested
117 an itemized statement to make an appropriate elaboration. Shannon (Shaw) Duty (Osage
118 News) asked Councilman Crum and Chairman Yates how much money has the Council
119 spent to date to fight the Winfarm issue. The Budget Chairman informs that it is
120 \$361,000. Councilman Abbott inquires about a timeline on the Windfarm issue being
121 resolved. Councilman Crum indicates that January 1, 2014 could be due to tax
122 abatements. Councilman Abbott states that if the OMC is going to prepare a resolution to
123 ask for Congress' help with the funding they should just ask for the help not make a
124 division. Councilwoman Boone asks Congresswoman Whitehorn about appropriations of
125 funds. Congresswoman Whitehorn explains that there would have to be an appropriation
126 in the Attorney General's budget for expenditures.

127

128 D. Storage Locker Rental/Yates – Over the weekend Chairman Yates had been
129 informed that a storage locker had been auctioned off. It included office furniture and

130 OMC files. Secretary Ciaradon Carpenter had given Yates a couple different names that
131 the storage locker had been in. Yates called Mayor Roger Taylor and found out that it
132 was auctioned for nonpayment of rental. All he wanted was his money back. Yates
133 question was that Minerals Council locker with contents that weren't being paid?
134 Councilman RedEagle explains that when he first got elected I think Curtis, Cynthia,
135 Dudley and I rented this locker out by Alco west of town. I assumed that it was being
136 paid. As time went on we all get busy with other things and evidently it was forgotten
137 about. Councilman Crum inquires who the names were that the locker was in and who
138 those people were. And also from your conversation the locker was bought again and the
139 contents paid for by Councilwoman Boone? Chairman Yates confirms this saying yes.
140 The name it was in was Eunice Davis. She was non-Osage and married to an Osage man
141 named William Abrams. Chairman Yates spoke with Mark Smith and he explained that
142 it would not have gotten sold if he had known it was the Minerals Council's.
143 Councilman Abbott states that he called Leslie Young who said no storage unit had been
144 paid for since they took office. He also called former Chairman John Henry
145 Mashunkashey who said he did not recall ever having a storage unit. Councilman Crum
146 suggests Councilwoman Boone to explain some of the confusion about the storage unit
147 since she bought it and has a key and may know what's inside. Councilwoman Boone
148 states that she has nothing to say about the rental of the storage unit and that all she
149 knows is that it went to private sell to a private person. Councilman Abbott states that the
150 OMC understands that Mrs. Boone went down and bought it back from that person.
151 Councilwoman Boone explains that only her husband can have an opinion about her
152 personal expenditures. Councilman Crum states that it could be valuable contents that
153 belongs to the OMC and asks how they can find out what they lost. Chairman Yates
154 states that previously Councilwoman Boone had requested that files be returned to Akin
155 & Gump and inquired if this storage unit was the locker she had been referring to.
156 Councilwoman Boone redirects the discussion to why Chairman Yates did not continue
157 to pursue the mystery of the storage locker and the key. Councilman Crum suggests that
158 the matter be reported to the tribal police. Stephanie Irwin asks Councilman Abbott why
159 Mrs. Young stopped paying the bill. Councilman Abbott explains that she never received
160 another bill. Congresswoman Whitehorn inquires why the Council doesn't just offer to
161 buy back their merchandise. Councilman Crum explains that the person that bought it
162 won't even admit she bought it or say what she wants for it. Shareholder asked if
163 Councilwoman Boone could tell them if the property in the locker belonged to the
164 shareholders and the Council. Councilwoman Boone said she doesn't know and has
165 nothing to say about it. Councilman RedEagle agrees that there should be some type of
166 investigation pertaining to authorization. Patricia Bright question Councilwoman Boone
167 about why she did this on her own and not for the shareholders.

168

169 **Break**

170

171 Roll Call

172 The following Minerals Council persons were present:

173

174 Joseph B. Sonny Abbott, Jr. _ P_

Curtis O. Bear _ P__

175 Cynthia Boone__P__

Melvin Core _ A__

176 Galen Crum __P__
177 Dudley Whitehorn __P__

Myron F. Red Eagle __ P __
Andrew Yates __ P__

178

179 E. Washington D.C. Trip/Yates – Chairman Yates states that some allegations have been
180 made and questions have been raised and need to be answered. “There’s been some
181 questionable actions by some of our councilmembers. The actions were morally and
182 ethically improper. I can assure you that if we don’t find out that that is the case, I will
183 take the necessary action at that time. I would like to start off by asking Councilman
184 Whitehorn who is one of my elders. I want you to tell us about this trip and tell us who
185 put it together and how it was paid for”. Councilwoman Boone requests to ask questions
186 before they begin. Chairman Yates recognizes her request. Boone: “You mentioned that
187 there were allegations of moral conduct and ethics, is that correct?” Chairman Yates:
188 “Yes.” Councilwoman Boone: “I saw today where there is several policemen out here.
189 If you’re going to accuse us of acting immorally or unethically where’s my staff
190 attorney? Where’s my attorney? I don’t know who called the police to come here, but
191 did anybody call our attorney to come and listen to these allegations?” Chairman Yates:
192 “I believe I began by saying until all the facts are available I was reserving judgment.”
193 Councilman Crum: “I received several emails and phone calls from my constituents
194 wanting us to take action against some of our Council. But I think its good for us to just
195 be here and find out what’s going on and if there’s anything any of you wish to tell us.
196 Nobody’s taking any action against anybody right now.” Councilman Bear: “I was one
197 of the members that went on the trip. I was invited to go. We went up there and visited
198 with Mr. Washburn and Mike Black. The other gentleman was his attorney. Vanessa
199 Ray-Hodge was on conference call. We discussed how we felt about the NRM, that
200 everyone should’ve had a place at the table and there wasn’t. I asked if we could start the
201 discussions again. I said that there’s people on the Minerals Council, producers, and land
202 owners that are all on the same page and I don’t know if its ever happened before or will
203 happen again. One of the things that Mr. Washburn kept saying was that they didn’t want
204 to get sued again for another 380 million dollars. And I also said that we voted 5-3 as a
205 Council we voted to turn this down. But then up there it was passed 3-2 and that wasn’t
206 how the Council felt. We discussed various topics, bonding, NYMEX. We even voted
207 on a resolution to slow this down. But as far as any unethical charges brought, for me as
208 an elected official to protect and manage the Minerals Estate, I felt I was doing my job.
209 As a council we all have the same goals but we have different ways of getting there. I
210 felt I was doing my job and I went up there to represent the Shareholders. Councilman
211 Crum inquires who funded it. Councilman Bear answers that the Producers Association
212 invited them and used a Defense fund. Councilman Abbott asks Councilman Bear why
213 he himself wasn’t asked to go on this trip. Bear suggests he ask the Producers why.
214 Patricia Bright asks Bear when he was asked to go initially. He answers Wednesday.
215 Bright asks Bear why the rest of the board wasn’t informed they were going. Bear replies
216 he thought they were. Bright states “you had time enough to do a poll and raise funds
217 from the Minerals Estate to go, but you chose to let the Producers pay your way. So, you
218 were representing the Shareholders, you were representing them.” Councilwoman Boone
219 read a letter she wrote into the record. This letter is attached to minutes.
220 Shareholder Lou Phillips stated that the rest of the Council should not have been left out.
221 Councilman Bear reemphasized his reasons for going on the trip were for the benefit of

222 the Shareholders and reminded everybody that the trip was very last minute and he went
223 with good intentions. Councilman Crum states discusses the comments made about the
224 Oil & Gas Summit and states there's an account for that. He emphasizes that there is
225 misinformation presented and redirects the topic back to the OMC is supposed to be
226 prioritized towards the shareholders. Shareholder Linda Heskett questions the Chairman
227 about how many side meetings he has had without the whole council. Councilman
228 Whitehorn stated that the Budget meetings in Muskogee are open to anyone to attend to
229 listen to. He then recognized Mrs. Boone did not get to speak at the Washington meeting.
230 He commented on how embarrassing it is for everyone to be acting so determined to find
231 something bad out from the trip. Chairman Yates asks Councilman Whitehorn if he paid
232 for his own trip. Yes he did. Yates asks Whitehorn who set the whole trip up and he
233 states whoever did its his business. Discussion continues about Chaparral and Encana.
234 Rhonda states that BIA and OMC are to work hand in hand together. She states that the
235 BIA has ability to cut a fence or enter.
236 F. Email/Boone – She said she was moving on and didn't want to talk about it.
237
238 G. Oil & Gas Summit/Boone – Councilwoman Boone inquired if an ethics violation she
239 brought up would cause the Council to cancel the Summit. Councilman Crum suggest
240 that she should make a resolution to be voted on at the next meeting.
241
242 H. Police/Boone –Councilwoman Boone inquires who set up for the police to be at the
243 meeting. Chairman Yates responds it was him. She asked him why. He responded to
244 keep everything and everybody in line. She notes that since he's been Chairman the
245 police have been called three times since May. Councilman Core notes that in the past it
246 has not been uncommon for them to be there.
247
248 I. Subpoena/Boone – I was planning on going to the Eagle issue in South Dakota. I've
249 been subpoenaed to testify in the special committee that Congress has to investigate
250 some issues. I'm supposed to be in court on the day that I'm supposed to be in South
251 Dakota, so I'm working right now so that I can get that changed. The attorney that is
252 involved in the investigation is working with me so that I can go to South Dakota. And
253 I want my constituents to know that I will still be able to fulfill my duties.
254
255
256

257 **9. Committee Reports:**

258 **1. Improvement Team- Crum**

259 **2. Budget Committee – Abbott**

260 **I was waiting until todays meeting to call my budget committee to order. I**
261 **want to know more about the windfarm issue so I might know what we will**
262 **have to put back into the Akin & Gump attorneys. Another one that we have**
263 **in our budget is storage rental...I guess I can take that one out**

264 **3. Media Committee – RedEagle**

265 Ciaradon sent out an email to everybody to get in any articles or anything
266 they have for the newsletter. Also I went to the Midcontinent Digital
267 Conference at the Hard Rock Casino and it was very interesting. There was
268 lots of information on the advancement of technology and how it will benefit
269 our oil producers. Councilman Bear elaborates on the advancements and
270 meeting. Councilman RedEagle announces NGI Innovations to be on the
271 agenda for September and present to the Council. Rhonda announces the
272 towns that will have the hotline number in their papers.

273 **4. Liaison Committee- Crum**

274 If we should happen to approve that Congress is going to help with this. We
275 will have to have somebody their to ask questions and define our roles.

276 **5. Scholarship Committee- Core**

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

278 I contacted the individual at P&P Contractors/ they will get started on the 5
279 wells we awarded them in a couple weeks. They are being affected by the
280 weather. We may have an emergency plugging coming from the BIA here in
281 town. As soon as we get the particulars on that we will put that through.

282 **7. Policy/Procedure –Boone**

283 For time reasons I will just say they are in your book. Look over them , they
284 are highlighted and we will vote on them next week. Crum asks about D.
285 “the police shall only be called if an altercation occurs”. So you think that we
286 need to have a fist fight before we call them. Boone says this is not my policy
287 you always want to make it personal. This is just for your approval, this is
288 the way the committee saw it and it’s the way I’m presenting it. We all voted
289 that this is what we wanted in our committee. And the rules state you bring
290 them before the Council for a full vote before they are implemented. So we
291 will vote on these next Wednesday according to our established policy.
292 Councilman Bear comments that it’s an insult on integrity to have police
293 there like bouncers in a bar. Patricia Bright infuses an example of when the
294 police were called when Crum was the Chairman and the impossibility of
295 being able to run a meeting and haul a disgruntled person out.

296 **8. 1906 Act – Bear**

297 Bear will present more on Wednesday about the presentation at the Expo on
298 October 2, 2013.

299 **10. Adjournment**

300 **MOTION TO ADJOURN AT: 1:41_____**

301 **BY:** Crum **SECOND:** Core
302 Joseph B. Sonny Abbott, Jr. _Y_ Curtis O. Bear _Y_
303 Cynthia Boone _Y_ Melvin Core _Y_
304 Galen Crum _Y_ Myron F. Red Eagle _A_
305 Dudley Whitehorn _Y_ Andrew Yates _Y_
306 **AYE** 7 **NAY** _____
307 **MOTION:** **X** **PASSED** _____ **FAILED**

308 Minutes submitted by: Secretary, Dena Rackliff

309 Minutes approved by: _____