

1 **OSAGE MINERALS COUNCIL**

2 **Meeting Minutes**

3
4 **January 15, 2014**

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 Galen Crum

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

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19 **Ray McClain, Tom Lackey, Patricia Bright, J. Geurin, Leslie Young, Ann**
20 **Abbott, Nona Roach, Mary Johnson, Gerald Reiger, Florence Bigheart**
21 **Tranum, Margo Gray, Jamie Smith, Amanda Proctor, Jason Aamodt**
22

23 **4. Tribal Accountant Reports-**

24 A. Leslie Young – C395 see attached report

25 Abbott: Have you paid Akin & Gump yet?

26 Leslie: Yes I have paid everything I have been presented. Abbott: Is that out of
27 this \$200,000 draw for 2014? Leslie: Yes. Boone: Speaking of the Akin & Gump deal.
28 We were given information last week by our Chairman Mr. Abbott and said you hadn't
29 seen any of our bills regarding the \$135,000. As of January 10, 2014 you hadn't seen the
30 bills? Leslie: Yes. I have seen them now after payment. It was paid while I was out on
31 vacation. Boone: Was it paid on December 30? Leslie: Yes. Boone: And the payable
32 went in on December 26? Leslie: I believe so. Boone: And it was signed by Melvin
33 Core and Myron RedEagle at that time? Leslie: Yes. Boone: Thank you. Boone: I show
34 in my record that we are \$35,000 in the red. Do we need to modify our budget? Leslie:
35 Yes. I will be putting in a modification to up the Akin & Gump section of the legal fees.

36 B. Julia Rowe – S-510 not present/nothing to report

37
38 **5. Auditor Report – Jim Swan**

39 See attached report

40

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

42

43 Yes. Last Friday, I reported that we had five permits for the month. We've had two and
44 at least three more in the next three days. It just so happens that they all kind of came in
45 a clump. I would have had a hard number except Dale Jesse who does most of those is
46 off sick today. I wasn't able to get a good number from him, but I know we got two. I
47 saw two going across my desk and I think we did three. In addition to that, last Friday I
48 told the Council that I would be reporting on the North Burbank Unit production before
49 and after the CO2 Flood payment. I just wanted to remind everybody that although we
50 have the information now it hasn't even begun to be processed. It will be next month
51 before I can report on post projection numbers. I will have a table showing a few months
52 before and a few months after. I don't know exactly how many you want, but so you can
53 see it's going up. Like I said, I would be really surprised if I see a big stair step. I think
54 it's going to be more of a ramp from several months ago because they have done a lot of
55 work out there. Some of that work have resulted in production increases that are not
56 attributable to CO2 Flooding. They are attributable to the fact that they did the work for
57 the CO2 Flood. If they hadn't put any CO2 in the ground we would still have more oil
58 being produced. The only other thing I have down on my list for requests, is one from
59 Mr. Crum for the highest price paid on any given month. I don't know if that was for the
60 Council or just for your personal request. It's not an easy thing to do and I got an email
61 from one of our accounting techs yesterday saying "it's going to be tough to do but we
62 are going to continue to try and get that information for you on a monthly basis". It
63 should not be a problem to do it for any months. The problem is we have to go through
64 every transaction manually and see. We don't have an automated way of doing that, so
65 it's going to be a manual search. Crum: If we cannot find out what the highest price paid
66 was for oil in our system, that's a pretty basic piece of information that ought to be given.
67 Charles: We are going to do it, I just don't have the numbers yet for you. RedEagle:
68 asked a question concerning maps, audio is distorted due to microphone and voice
69 volume. Charles: We have sold one set of maps in the last six months. I've got them on
70 my desk now to mail out. That is much less of an issue now than say it was in the 90s. A
71 lot of the younger explorationists want everything on the internet. I'm having a little bit
72 of a hard time convincing some of these people that a map printed on paper is just as
73 good. Like I said, we've had one set of maps and I've got to get them mailed off today.
74 Also, I'm going to be off work for two weeks; I'm going to have a cast on my foot. So,
75 I'm not going to be around. If you need me you can call me on my cell phone. Core:
76 How much do the maps cost? Charles: \$200. Crum: asked a question about a lease sale
77 and nominations (highly distorted due to microphone and voice volume). Charles: As of
78 today we have ten nominations, 1600 acres more or less, we still have to verify that these
79 are all available, and from past experience we will be getting some the 17th. I think I've
80 told you before way over half of the nominations have come in the past couple days.
81 Crum: Repeat that date again will you please? Charles: It is January 17, 2014 is the
82 deadline. Another issue that was brought up last Friday, concerned how many wells will
83 be plugged. These are not the wells that plugging committee are plugging, these are just
84 total wells. Last month we had two plugs witnessed by our field section. Sooner or later
85 we will have almost five way up in Kansas, then ten after that. But that was information
86 you all were presenting to us, not the other way around. That's coming from the

87 plugging committee. Okay, we've got some other information that may be useful. This
88 is our field operations monthly report...According to this, they gauged 13 tanks, they had
89 tank bottom removals on 8 wells, there are five run tickets, had 44 land owner renewals,
90 4 formal complaints, 153 trucking permits, 5 letters, looked at 195 run tickets reviewed
91 and decoded, 10 gas meter approvals, 2 archeological surveys for wells sights and land
92 surveys. I kept thinking about one of the things that Mr. Abbott asked Jim was why we
93 have more tank bottoms. I can't tell you this month verses last month, but traditionally
94 we will have more in the winter because the cold weather will cause problems. When a
95 tank will no longer be run by a pipeline company but by the purchaser they have to go in
96 and take the tank bottoms off of it. It happens more often in January than it does in July.
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98

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

100 We got five certifications in and we will be interviewing this afternoon. Hopefully we
101 will be in a position to make that decision sometime next week. Those are for the
102 Petroleum Engineer Technicians (PETs). We have a couple other positions that are
103 before personnel right now that will be for accounting. We will provide those to you.
104 The next thing that I want to bring up is the letter that you are asking us to send out. I
105 spoke to this morning and received a letter from our IT individual asking him to go back
106 in and kind of tweak it a little bit to identify the non-indian and indian or non-Osage, and
107 she's going to get me something fairly quick. So, if you want to revise that letter or if
108 you wish to go ahead and utilize the letter we've got. We are going to be in a position
109 next probably to get something out. So, that's your call, whatever you want to do there.
110 Both Councilman Yates and Crum ask questions but the audio is distorted, again, due to
111 the microphone and voice volume. Phillips: IT generated a simulated report giving me an
112 example of what they can do to identify the name, address, and phone number, etc. I
113 talked to her today and asked if she could go in and possibly get it to where it's in a label
114 form. So, if you are wanting to revise that letter, then that's your call. The letter is
115 actually generated by you and in the Settlement we just send the letter out on the behalf
116 of the tribe. Crum: For people who are here who need to know what letter we are talking
117 about...the rest of what he says is distorted. He poses a question about the non-indian
118 Life Estate trustees. Phillips: Galen, I haven't even thought about the Life Estates,
119 because they have a life use. We can notify them if that's what you would like us to do.
120 But like Charles said, they'd be transferring a Life Estate, so I don't know if they'd be
121 able to do that. Let me just say this, I've got the copy of the annuity system's info here
122 and we are just looking at the ancestry and on this it would have it identified as Life
123 Estate. So, I can go back and basically tell her to not include anything that does show a
124 Life Estate. When we are bringing people into the Osage Agency, just like the two
125 individuals for the PETs, we got to have security background clearance because of the
126 issue of the trust documents. We talked about that this morning about this individual
127 coming in and we are going to get with personnel to see where exactly we could utilize
128 him. We may utilize that individual for going out in the field. If we could get him to
129 where he is working with Charles, as maybe a mentoring group, that would be great. But
130 I don't know if I'm going to be able to pull that off because of the security background
131 clearance. I think it's great that somebody wants to come to the Osage Agency and work

132 for free especially. But I know Janine (Hail) has talked to him and we are really
133 interested in him as well.

134 **8. Executive Session**

135 No executive session/short intermission

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138 **Coming back from break the Chairman recognized Margo Gray in**
139 **attendance for meeting. She is a candidate for Principle Chief. Also, Tom**
140 **Lackey introduced Jamie Smith. Jamie is a new land man being brought in.**
141 **She will be the new point person. She will be attending most of the meetings.**
142 **She will be coordinating the day-to-day drilling and leasing activity on behalf**
143 **of Chaparral.**

144 **9. Old Business-**
145 **no old business**

146

147 **10. New Business**

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149 **MOTION: BY**

150 **TO: Table OMC support for lawsuit**

151 **SECOND:**

152 **Joseph B. Sonny Abbott, Jr. Y**

Curtis O. Bear Y

153 **Cynthia Boone Y**

Melvin Core Y

154 **Galen Crum A**

Myron F. Red Eagle Y

155 **Dudley Whitehorn Y**

Andrew Yates Y

156 **AYE 7 NAY _____ Abstained 1**

157 **MOTION: X PASSED _____ FAILED**

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160 **MOTION: BY Abbott**

161 **TO: allow Sneed Law Firm to prepare letter, gain approval from OMC of letter,**
162 **and send letter to Congress**

163 **SECOND: Crum**

164 **Joseph B. Sonny Abbott, Jr. Y**

Curtis O. Bear Y

165 **Cynthia Boone N**

Melvin Core Y

166 **Galen Crum Y**

Myron F. Red Eagle Y

167 **Dudley Whitehorn N**

Andrew Yates Y

168 **AYE 6 NAY 2**

169 **MOTION: X PASSED _____ FAILED**

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175 **MOTION: BY Abbott**
176 **TO: Approve Resolution 2-214**
177 **SECOND: Crum**
178 **Joseph B. Sonny Abbott, Jr. _Y__** **Curtis O. Bear _Y__**
179 **Cynthia Boone _Y__** **Melvin Core _Y__**
180 **Galen Crum _N__** **Myron F. Red Eagle _Y__**
181 **Dudley Whitehorn _Y__** **Andrew Yates Y__**
182 **AYE __8__ NAY _____**
183 **MOTION: __ __ PASSED ____X__ FAILED**
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185 **MOTION: BY Abbott**
186 **TO: Approve Resolution 2-215**
187 **SECOND: Crum**
188 **Joseph B. Sonny Abbott, Jr. _Y__** **Curtis O. Bear _Y__**
189 **Cynthia Boone _Y__** **Melvin Core _Y__**
190 **Galen Crum _N__** **Myron F. Red Eagle _Y__**
191 **Dudley Whitehorn _Y__** **Andrew Yates Y__**
192 **AYE __8__ NAY _____**
193 **MOTION: __ __ PASSED ____X__ FAILED**
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195 **MOTION: BY Abbott**
196 **TO: Approve Resolution 2-216**
197 **SECOND: Crum**
198 **Joseph B. Sonny Abbott, Jr. _Y__** **Curtis O. Bear _Y__**
199 **Cynthia Boone _N__** **Melvin Core _Y__**
200 **Galen Crum _N__** **Myron F. Red Eagle _Y__**
201 **Dudley Whitehorn _A__** **Andrew Yates Y__**
202 **AYE __6__ NAY __1__ Abstained 1**
203 **MOTION: __X__ PASSED _____ FAILED**
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206 **MOTION: BY Abbott**
207 **TO: Approve Resolution 2-217**
208 **SECOND: RedEagle**
209 **Joseph B. Sonny Abbott, Jr. _Y__** **Curtis O. Bear _Y__**
210 **Cynthia Boone _Y__** **Melvin Core _Y__**
211 **Galen Crum _N__** **Myron F. Red Eagle _Y__**
212 **Dudley Whitehorn _Y__** **Andrew Yates Y__**
213 **AYE __8__ NAY _____**
214 **MOTION: __ __ PASSED ____X__ FAILED**
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11. Adjournment

MOTION TO ADJOURN AT: 1216_____

BY: RedEagle SECOND: Abbott__

Joseph B. Sonny Abbott, Jr. _Y__

Cynthia Boone__Y__

Galen Crum __Y__

Dudley Whitehorn _Y__

AYE__8_____ NAY _____

MOTION: _____X_____ PASSED _____ FAILED

Curtis O. Bear __Y__

Melvin Core _Y__

Myron F. Red Eagle __Y__

Andrew Yates _Y__

231 Minutes submitted by: Secretary, Dena Cosby-Rackliff

232 Minutes approved by: _____