

# Osage Minerals Council Meeting July 16, 2014

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Council Chairman Everett Waller called the meeting to order at 10:00 AM. Councilman Talee Redcorn gave the prayer.

Tribal accountants Leslie Young and Julia Roe gave their reports. Minerals Council Auditor Jim Swan told us that the average daily production was holding its own for this reporting period (May).

BIA Supervisory Petroleum Engineer Charles Hurlburt reported that drilling permit applications were about at the same number that they have been in past years at this time. Sullivan and Company had filed 12, CEP had filed 5, Chaparral had filed 16 just in the Burbank Field, plus several other locations in the County. He said he had no new numbers to report on Chaparral's production at Burbank. He also told us that they were still working on collecting royalties from the Hwy 60 road project contractor's use of the lime stone rock for the road base.

Osage Agency Superintendent Robin Phillips was at the meeting but Deputy Supt. Jeannine Hale gave the administrative report. After fielding several questions, she told us that the BIA was planning a meeting in August for the new Minerals Council to fully acquaint them with the permitting process. The meeting would include a field trip to an operating lease a few miles west of Hominy.

The Council then went into executive session. Clear Mountain Resources was the only item on the agenda. Coming out of executive session, no action was taken.

Under **Old Business**, the Council approved a lease proposal made by Mr. Barry Sparks.

On motion by Councilman Crum, seconded by Councilman Yates, the Council approved continuing the scholarship program. The vote was 7 yes, with 1 abstention.

Councilwoman Boone made a motion to rescind Resolution 2-250. This was the resolution passed at the last meeting of the 2<sup>nd</sup> Minerals Council, sanctioning her for violating the anti-Hostile Work Place Policy. After much discussion, the motion failed to pass with a vote of 5 no, 2 abstentions, and 1 yes.

Chairman Everett Waller asked for a motion to hire back an ex-employee, Ms. Rennick, to fill the vacant position of receptionist. Councilwoman Erwin made the

motion to hire Ms. Rennick at the rate of \$13.00 per hour, the wage she was making when she left last year. The motion passed 8 yes, 0 no.

Chairman Waller adjourned the meeting about 1:15 PM.

### **IN MY OPINION:**

There were several issues resolved today, but the meeting moved right along after the Council got through asking questions to the BIA. That is, until Councilwoman Boone made her motion to rescind Resolution 2-250. There was much discussion about this, and three of the Council spoke quite candidly against rescinding this motion. Part of the discussion was about whether Ms. Boone would be allowed to vote on this issue, since she was the subject of the resolution to sanction. She asked where in the policy, it said that she couldn't vote on the issue. Councilman Crum read the policy to her, and clearly pointed out where it said she couldn't vote. In the end, there were 5 no votes and 2 abstentions. Although I have no idea why she left her job, it is a little ironic that a former employee, who left during MC2's tenure, is the first to ask to return to work. This is the first time I am aware of that the Council has had an opportunity to hire back a fully trained individual. This will take the extra load off of the 2 trust secretaries, and we don't need to spend their time and our money to train a new hire.

In a discussion with a Chaparral representative outside the meeting, I did find out that things at Burbank are improving. He said that the production was now up about 40% (500 bpd) from where they opened things up for production last fall. This information was published in the Journal Record newspaper in Oklahoma City last week. The article said they expected it to reach a 14,000 bbl p/ day increase by the end of the year. That's what they said last year, too, and it didn't happen. At least, things are starting to improve up there, so let's hope for the best.

Ray McClain, Osage Mineral Estate Beneficiary