

Osage Minerals Council Meeting 6/19/2013

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June 21, 2013

The meeting opened today with a prayer from Councilman Curtis Bear. Tribal accountants Leslie Young and Julia Roe gave their reports. Auditor Jim Swan gave his monthly report. Jim told us not to be shocked by the numbers in the report today. It seems that Coffeyville Refining had failed to pay April's oil royalties by the end of May deadline, and therefore could not be included in the report reflecting April's income. He went on to tell us that the unpaid \$4.2 million, plus a little over \$63,000 in interest, had been paid in full on June 6, and it will be included in next month's report. He also told us that due to the late payment, he didn't have true numbers reflecting daily production for the month. Production had been rising each month and I'm sure Jim will have it worked out for us next month. He did tell us that the 20% royalty oil was now making up 17.11% of the total production. This is evidence of more and more of the new horizontal wells coming on line.

BIA Supervisory Petroleum Engineer Charles Hurlburt had no report today.

BIA Acting Supertindent Rhonda Loftin introduced her new Acting Deputy Supertindent, Carla Norman. Carla has been detailed here from an Agency in Okmulgee and is an expert in administrative detail. I'm sure she will be a great help to Ms. Loftin in the coming months.

Cynthia Boone again asked several questions of Ms. Loftin about her qualifications.

Four producers were scheduled for executive session today. The Council acted on one of these, approving a lease to Mr. Charles Brown, a long time, small producer from around Okesa.

Cynthia Boone then made a motion asking the Council for a letter of support for a lady that Ms. Boone said "she had been told had been banned from the Hominy dances." She alluded to a letter that she wanted Chairman Yates to sign. Chairman Yates asked her who had written the letter since it already had his name on it and he had never seen it. She told us that she and Mel Core had written it. Chairman Yates then stated that this was not any of the business of the Minerals Council and that there was no way he would sign it. This motion failed 5 to 3, with Boone, Whitehorn, and Core voting yes.

Myron Red Eagle proposed a Resolution that the Council hire Reta Lintner to help the BIA catch up with their paperwork and filing. The motion failed.

Galen Crum made a motion that the Council ask the staff attorney to review the recent activity regarding the access problems BGI had been having, including any court actions involving the county commissioners, and to be sure the Council was doing everything possible, including legal action, to help BGI. The motion passed -8- yes -0- no.

Chairman Yates then appointed three of the Council to an Election Committee. They were Melvin Core, Curtis Bear, and Galen Crum. He asked the three of them to pick a Chairman of the committee from among its members.

Sonny Abbott proposed a Resolution to modify the budget. The vote to pass was unanimous.

The meeting was adjourned about 2:00 PM.

IN MY OPINION:

Just thinking about that late collection from Coffeyville Refining gets kinda spooky for me. This purchaser buys about 65% or 70% of our production each month. We are totally dependent on these purchasers, and for that matter our Producers, to keep their business in order. If one should drop the ball or go bankrupt, etc., our next ensuing headright checks could be affected mightily. I don't know what we could do about it either, except maybe we should try to not depend too heavily on that check being there until we get it, if possible. We would eventually be paid, but it could certainly be delayed. Any delay here usually means 90 days, minimum.

As for Cynthia Boone quizzing the BIA Acting Supt. about her qualifications, this is just one more effort by Cynthia and the "Melissa Currey fans" to aggravate and harass Ms. Loftin. It is nothing but a distraction and it wastes the Council's time and Ms. Loftin's time. The Council should be interested in a potential Superintendent's qualifications, and they have asked her repeatedly, many times asking the same questions. She has always answered the Council's and the Shareholder's questions each time.

As un-necessary as it was, Ms. Boone's inquisition of Ms. Loftin's qualifications pales in light of the motion she made next. She requested a letter of support from the Minerals Council for a lady, whom Ms. Boone said "she had been told," had been banned from the Hominy dances. She had no incident report, but she did have documents dated in 1999, showing that the Hominy 5 Man Board had first approved and then denied this lady's application to move into the village. The Board had based their decision on objections by 3 longtime residents of the village, citing an undesirable life style. It said nothing about "banning" her from the dances or "banning" her from visiting in the village.

One Council Member stated that he had seen and spoken with this lady on at least 2 and possibly 3 different days during the Hominy dances this year, and she certainly didn't seem to have been "banned" at those times. Whether it happened or it didn't happen, Chairman Yates was right. This is absolutely NO business of the Minerals Council. This is the business of the Hominy 5 Man Board and the Osage Nation Police Department and maybe Ms. Boone. This is an instance of Cynthia Boone trying to exert some mystic power she must think she has by being a Council Member, over something not concerning the Council at all. However, we have been hearing rumors that this entire episode might certainly be of concern to her on a much more personal level. Since I don't like to expound on rumors, I will wait until more reliable information becomes available. Anyway, the Council voted 5 to 3 to not approve this letter of support, with Crum, Yates, Abbott, Red Eagle, and Bear voting no.

Ray McClain, Osage Shareholder

