

NEXT MEETING OF THE OSA - SUNDAY, FEBRUARY 15, 2009 1:00PM
 HOMINY INDIAN VILLAGE COMMUNITY CENTER, HOMINY OK
 POT LUCK BRING YOUR FAVORITE ??? COFFEE AND ICE TEA PROVIDED



OSA
 Osage Shareholders Association
OSAGE SHAREHOLDERS
ASSOCIATION, INC. EST. 1984
 P.O. BOX 418
 PAWHUSKA, OK 74056
www.osageshareholders.org

EXECUTIVE BOARD

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 MEMBERS. PLEASE MAIL OR EMAIL YOUR
 THOUGHTS FOR SUBMISSION TO:
secretary@osageshareholdersassociation.org

**Osage Minerals
 Council Meeting**

February 13, 2009

**Osage Mineral Council
 will meet in regular
 session on February
 13, 2009 at 10:00
 a.m.**

Everyone is welcome.

LOOKING FOR....
**NOMINEES FOR ALL
 POSITIONS IN THE
 UPCOMING OSA
 ELECTION!**

~ CHAIRPERSON ~
 ~ VICE CHAIR ~
 ~ SECRETARY ~
 ~ TREASURER ~
 ~ 8 BOARD MEMBERS ~

THIS IS YOUR
 ORGANIZATION –
 CHART THE COURSE
 – BE INVOLVED –

Intervention Denied

As many people are already aware the motion to intervene in the 2.5 billion dollar Osage trust case was denied, on December 19, 2008, by Judge Hewitt's court. *Her reasoning for ruling against the intervention was, in short, that she saw no difference between the Headright holders and the new nation.* In addition to that, Judge Hewitt deemed that abstract injury was not enough reason to allow intervention. In her words, "...the injury or threat of injury must be both 'real and immediate' not 'conjectural' or 'hypothetical.'" Further Judge Hewitt took the position that we have had eight years to bring this litigation and that bringing it now is untimely and too late. It is for these reasons that she ruled against us.

It is my opinion that Judge Hewitt did not fully appreciate many of the facts on the ground here in the Osage. To her point that the intervention was untimely, it is my opinion, that the fact that there was a major change in government type and focus, and the ramification that has had on we the shareholders was not fully appreciated. In reference to her point that injury must be both "real and immediate" it is my opinion that this is real and immediate, as I will demonstrate later in this writing. On this point I simply disagree with the reasoning in the ruling. Lastly, Judge Hewitt's opinion that the nation and the shareholders are one and the same, I think, does not fully consider our property rights as shareholders and what the ramifications of that mean. I think without growing up Osage and gaining an understanding of our institutions through experience and observation it can be near impossible to explain the system to an outside-uninterested party. In my opinion, often those who seek to diminish our mineral estate use this fact to their advantage. Also, the obfuscation of the mineral estate created by HR2912 only further clouds an already difficult situation for an outsider to understand.

In her ruling against the intervention Judge Hewitt noted that Wilson Pipestem filed a summary

**CHARLES HURLBURT SPOKE AT THE
 OSA FALL MEETING**

The OSA thanks Charles Hurlburt from the Osage Agency, BIA for the presentation he was so gracious to give on such short notice following the late cancellation by Jeanette Hanna of the BIA. His very informative accounting of the history of the Oil industry here in the Osage covered such topics as ...History of Lease Sales, Impact of Economy in previous years and currently, Impact a new Secretary of the Interior will have on the BIA and the process/procedures maintained to oversee the accuracy oil barrels pumped and delivered to the refinery. If there is enough interest Charles offered to conduct a bus tour following the steps involved in getting the oil from the field to the consumer.

FROM THE CHAIRWOMAN'S CORNER

Questions? Call me - 918-642-5648.
 Linda Heskett

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judgment on December 2, 2008 seeking a settlement in this litigation. This fact seems to have gone unnoticed by everyone that has read and commented on the Judge Hewitt's opinion as posted on the mineral councils web site. We, the litigants, read this and then sought to find the specifics of this motion filed by Mr. Pipestem at the direction of the Trust Team. We finally received a copy of the settlement that Trust Team is seeking on the 29th of December. In that summary judgment, Mr. Pipestem, at the direction of the Trust Team, seeks to settle the tranche one claim for \$254,731,638.43. Is this a settlement for the entire 2.5 billion dollar claim? I don't know. Will there be a tranche two, three and so on? I don't know.

I attempted to contact the trust team asking them about the summary judgment entered by Mr. Pipestem. I could only get one of them to respond to me; that was Speaker Mason. He said that he was not aware of any summary judgment. This begs the question: at who's direction is Mr. Pipestem pursuing this case? If in fact, any members of the trust team are not being kept up to date with the proceeding of the case, then by whose direction is Mr. Pipestem proceeding? Does the trust team exist in anything other than name? What is its function if it's members apparently aren't being kept up to date with such important matters as the settlements the nation is seeking. And further how can a trust team claim to represent the interests of those affected by this litigation if they don't come forward and explain what it is they are pursuing.

OSA 02-15-2009 MEETING AGENDA

1:00 P.M. CALL TO ORDER

- * PRAYER OFFERED
- * POT LUCK FEAST
- * CALL TO ORDER
- * ROLL CALL AND RECOGNITION OF DIGNITARIES
- * READING OF MINUTES
- * TREASURERS REPORT
- * REPORT FROM CONGRESS
- * REPORT FROM MINERAL COUNCIL
- * CHAIRWOMAN-INTRODUCTION OF GUEST SPEAKER
- * QUESTION/ANSWER PERIOD
- * OLD BUSINESS/* NEW BUSINESS - What direction does the OSA want to take and who might be suitable to lead.

*ADJOURNMENT / ELECTION MEETING LOCALE

In the past few months the minerals council has paid Mr. Brickell, (the original attorney hired to litigate this case for the then tribe), \$93,000.00 for 30 plus boxes of additional resources and evidence to bolster the efforts of Mr. Pipestem in pursuing this case. I spoke with Mr. Brickell after the first of the year and he assured me that he had marked the items for Mr. Pipestem showing him where the government failed in its duties and where it is proven. In our conversation Mr. Brickell seemed somewhat taken aback by the nations seemingly lax attitude about what he had handed over to them.

Are they doing anything with those 30 plus boxes? The short answer is nobody knows. Our elected officials have told us repeatedly that unlike the Cobell case we have a trail of paperwork proving our case. If this is true, I must ask; are we settling for 254 million? Will there be another tranche? How long is this going to be drawn out? If it has taken eight years to reach a discussion concerning a settlement on about 10% of the claim how long is it going to take to litigate the other 90% of the claim? Who is directing the litigation if members of the trust team are unaware of such important happenings as the entrance of summary judgments by the Nation?

Linda Heskett

My phone number is 918-642-5648.

Please don't hesitate to call.

Linda Heskett

OSA NOVEMBER 16th MEETING MINUTES
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1:30 P.M. PRAYER OFFERED - by Cora Jean Jech

FALL FEAST- Turkey and all the trimmings

CALL TO ORDER - Linda Heskett

ROLL CALL - Officer's present: Linda Heskett, Cora Jean Jech, Mary Lee Evans, and Miya McKim. Sgt. At Arms: Reva Polson, Board Members: Julie Wilson, Dudley Whitehorn (26 persons signed attendance sheet)

RECOGNITION OF DIGNITARIES-Councilwoman Cynthia Boone, O.N. Congressman Kugee Supernaw, Charles Hurlburt of the Osage Agency, BIA.

READING OF MINUTES -Miya McKim: copies distributed - motion to accept as written without reading 2nd/passed.

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TREASURERS REPORT - Mary Lee Evans: Reported \$4,095.92 in the account.

REPORT FROM MINERAL COUNCIL - Cynthia Boone: 4th Quarter payment \$11,600. Next payment (March 2009) will be down. Auctions are the "biggest bang for buck". The minimum bid does not have to be accepted, the lease can remain not sold. Teddy Pledger is to audit 125 sites. *Cynthia went to California for USOC (United Osages of Southern California) meeting. 45 attended. The group had composed a letter for the BIA asking not to allow IIM takeover by Osage Nation. * MC needs two employees, a mineral tech and full time secretary.

REPORT FROM CONGRESS - Kugee Supernaw: Has two speaking engagements in California. Reported on status of various bills in Congress and controversy regarding executive branch making unsound business investments with out Congressional awareness or following protocol. Tobacco tax issue was explained and impact on Nation and individuals.

CHAIRWOMAN- Linda Heskett - Gave update on status of intervention. Judge Hewitt still has not ruled. Linda and the attorney feel interveners have a good chance to prevail.

INTRODUCTION OF GUEST SPEAKER - Linda Heskett introduced Charles Hurlburt who graciously accepted speaking after Jeannette Hanna was unable to.

Charles: Brief history of Osage oil 1906 to 1983. In 1983 changes occurred. For 20 years leases sold at 3 Lease sale dates per year where they were told a minimum bid amount. Two-day lease sales were common. When the bottom fell out lease sales dropped to two 2-hour sales. New forms of selling leases evolved. Prospective buyers made appointments with the Council to request a lease. This helped get us through a bad slump with decent payments the last few years. Osage highest price was \$147.95 (now at \$52.95 a barrel.) June of 1991 had previously been the highest record at \$10,000 payout. He warned next payment would be down. Operator expense is up and equipment is scarce; especially tubular. One purchaser, SimCrude, went bankrupt. However, although we are in a recession/depression we are still in good shape. **Bonuses:** If there is a difference of \$ above the minimum posted price they pay out. **Permits:** Take longer than used to. Went from 30 to 70 days due to # of permits is up and less staff to process. We are doing a better job of protecting cultural resources. State Historical preservation Office and Tribal Archaeological services involved have 30 days to process. State is swamped and Tribal office is new. Only dramatic downturn in # of leases will change this. The Fish/Wildlife service also must do an impact report on threatened/endangered species. **Administration change:** No idea of who will be picked, only thing heard was the Secretary of the Interior (who keep tabs on non-Indian affairs issues) does not have as big an impact as the Assistant Secretary. The 'ASIA' assistant Secretary of Indian Affairs is more in tune with the issues. **Gas:** 1999 was the worst year.

QUESTION/ANSWER PERIOD

Q: Why are tanker trucks running on Sunday? If they don't run we lose \$ due to theft (at tank/pump site) Back gauges are checked the next day, if discrepancy there is a "gauge off" , our people and theirs will measure the tanks. Royalty checks go down.

Q: How are we protected from theft? Procedure is: Start with empty tank truck. Open on-site tank. Measure oil height to find out how full it is. Take sample. Take temperature for correction. Gravity (density+ quality. 40 gravity is ideal.) BS&W- Base Sediment and Water: Dirt, rust, water over certain level is non-marketable. Must be treated. Bottom valve of on-site tank opened to drain into truck. When down to the one-foot level all measurements occur again. If the bottom of tank is sludge, they stop taking the bad oil and a drawtube is inserted and the tank vacuumed. A BIA rep must be present. Between Thanksgiving and April this happens a lot due to cold weather. The oil is transported to a refinery drop station where the top and bottom gauge measurement data is sent to BIA - they the BIA state the price. The BIA, then double-checks data for discrepancies and if found they have a "gauge off". The BIA gets a report from each lease, which includes the date, quality, money paid and the run tickets.

Q: Can we have a tour of the process? Yes, if there is interest a bus tour can be arranged.

OLD BUSINESS: Attempt to enlist members to sign up for committee's failed miserably.

NEW BUSINESS: Members proposed changing from non-profit status to facilitate being involved politically to influence Congress and Executive Branch to stay out of Minerals issues. Concerned about takeover by Executive Branch. A lively discussion as to why the organization was first chartered and its goal and purpose conflicted with politics and ramifications of IRS reporting. A suggestion that a separate political group be formed was met with both encouragement and doubt. Point made that members are not even willing to be involved with committees within the OSA may be an indicator on how difficult it is to motivate participation.

ITEMS TO DISCUSS AT NEXT BUSINESS MEETING: Nominations for upcoming election to occur at next meeting. What direction does the OSA want to take and who might be suitable to lead.

4:30 ADJOURNMENT - Next business meeting February 15, Hominy - location TBA.

Nomination Work Sheet		
OFFICE	1 ST CHOICE	2 ND CHOICE
Chairperson		
Vice-Chairperson		
Secretary		
Treasurer		
Boardperson 1		
Boardperson 2		
Boardperson 3		
Boardperson 4		
Boardperson 5		
Boardperson 6		
Boardperson 7		
Boardperson 8		
Sgt. At Arms		