

March 27, 1963

✓
Mr. Emby Kaye
815 First National Bldg.
Tulsa 3, Oklahoma

*Int.
Indians*

Dear Mr. Kaye:

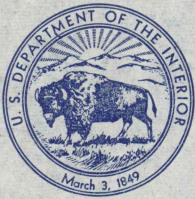
I have received the enclosed preliminary report from the Bureau of Indian Affairs regarding royalty paid on oil produced on Osage Indian lands.

Additional information is being requested from the Osage Agency, and when it is received, I will write you again.

With best regards and good wishes, I am

Sincerely yours,

Enclosure



UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF INDIAN AFFAIRS
WASHINGTON 25, D. C.

IN REPLY REFER TO:

Real Prop. Mgmt.
Minerals
1685-63

Hon. A. S. Mike Monroney
United States Senate
Washington 25, D. C.

MAR 26 1963

Dear Senator Monroney:

We have your letter of March 14 enclosing a copy of one from Mr. Emby Kaye of 815 First National Building, Tulsa 3, Oklahoma, regarding the price of Osage crude oil and the payment of royalty.

The Osage oil leases provide for a royalty of $16\frac{2}{3}$ percent of the gross proceeds from sales after deducting the oil used for fuel in operating the lease, except that if production during any calendar month is sufficient to average 100 or more barrels per well per day, the royalty is 20 percent. Settlement is based on actual selling price but at not less than the highest posted market price in the Mid-Continent Oil Field on the day of the sale or removal of the oil. As the royalty is collected by the Osage Agency, we are requesting a report and as soon as it is received, a further reply will be made to your letter.

The copy of the letter from Mr. Kaye is enclosed.

Sincerely yours,

(Sgd) Albert Huber

DEPUTY ASSISTANT

Commissioner

Enclosure

March 14, 1963

Mr. Emby Kaye ✓
615 First National Bldg.
Tulsa 3, Oklahoma

Dear Mr. Kaye:

I wish to acknowledge receipt of a copy of your letter to Mr. E. A. Smith, President of the O.I.P.A., regarding royalty paid on oil produced on Osage Indian lands.

The Bureau of Indian Affairs is being requested to comment on the subject, and just as soon as I have a reply, I will let you know.

With best regards, I am

Sincerely yours,

March 14, 1963

Honorable Philleo Nash
Commissioner of Indian Affairs
Department of the Interior
Washington 25, D. C.

Dear Mr. Commissioner:

I have received the attached letter written by Mr. Emby Kaye, an independent oil producer of Tulsa, Oklahoma, regarding the royalty paid on oil produced on Osage Indian lands.

I do not have sufficient background to comment on the matter to which Mr. Kaye alludes. Will you kindly have someone in the Bureau give me as much information as possible on the manner in which royalty is set on oil produced on Osage Indian lands so I may reply to Mr. Kaye's letter?

With best regards, I am

Sincerely yours,

Enclosure

Copy for Senator Monroney

EMBY KAYE

815 FIRST NATIONAL BUILDING

TULSA 3, OKLAHOMA

LUTHER 5-5444

E. DONALD KAYE

March 12, 1963

Mr. E. A. Smith, President
O. I. P. A.
1307 South Boulder
Tulsa, Oklahoma



Dear Ed:

It is bad enough for the producer in the Osage to have had a cut of 5¢ by the imposition of a "gathering charge" by Sinclair for Osage crude, the best crude oil in the state, and now a 5¢ a barrel cut, but it is frustrating to have to pay royalty at 16-2/3% of the old price. This is not a new story - it has happened before - but it is new each time it happens when the Agency orders us to "pay up" on the "highest" price for crude of the same gravity, even though it is impossible for a producer to elect to sell to the purchaser paying the higher price who may have no pipeline in the field. Why should the Indian get a higher price than the producer? Such a rule makes sense only when a company sells to an affiliate, to prevent collusion.

I submit that this matter ought to be taken up with Secretary Udall by the appropriate committee of O.I.P.A. If it is not considered important enough, I shall do so myself. It is unfair, unsportsmanlike, undemocratic, confiscatory, gratuitous, arbitrary, unjust. Only a bureaucrat can issue such an order by fist.

Very sincerely,

Original Signed by
EMBY KAYE
Emby Kaye

EK:bmc

Dear Senator:

I decided not to waste time and ask your office to study this and ascertain by what authority so unreasonable an order can be issued. Hell! It just is not fair!