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AGREEMENT

This AGREEMENT, dated as of October 14, 2011, is entered into between the United States of America and the Osage Tribe.¹

1. RECITALS.

- a. Whereas the 1906 Act reserved the Osage Mineral Estate of the Osage Reservation to the Osage Tribe;
- b. Whereas pursuant to the 1906 Act the revenues from the Osage Mineral Estate are to be placed in the Osage Tribal Trust Account;
- c. Whereas pursuant to the 1906 Act the revenues placed in the Osage Tribal Trust Account are to be distributed to the Headright Holders;
- d. Whereas the Osage Tribe, acting through the Osage Minerals Council, has the authority to act for, to protect the interests of, and to bind Headright Holders with respect to matters relating to the Osage Mineral Estate, including the initiation, prosecution and settlement of claims relating to the Osage Mineral Estate;
- e. Whereas the Osage Tribe initiated proceedings in the CFC to seek money damages from the United States for alleged breaches and failures on the part of the United States in the collection of revenues due to the Osage Tribal Trust Account, and the United States' subsequent management and disbursement of such revenues, among other claims, in the CFC Action;
- f. Whereas the CFC has held that under the 1906 Act the Osage Tribe is the only proper party with standing to seek money damages for the breaches and failures alleged in the CFC Action;

¹ Capitalized terms shall have the definitions set forth in Section 2.

- 1 g. Whereas the Osage Tribe has created the Osage Trust Team, a team of
2 representatives from the Osage Minerals Council, the Osage Nation Congress, and
3 the Osage Nation Executive Branch to manage and direct litigation relating to the
4 Osage Mineral Estate and the Osage Tribal Trust Account, including the CFC
5 Action;
- 6 h. Whereas the United States has initiated settlement negotiations with the Osage
7 Tribe acting through the Osage Trust Team;
- 8 i. Whereas the United States and the Osage Tribe acting through the Osage Trust
9 Team have negotiated in good faith to obtain a settlement of litigation relating to
10 the Osage Mineral Estate and the Osage Tribal Trust Account, including the CFC
11 Action, and other trust related claims, and to address means of improving the trust
12 management of the Osage Mineral Estate, the Osage Tribal Trust Account, and the
13 Other Osage Accounts, as well as improving the trust relationship between the
14 Osage Tribe and the United States;
- 15 j. Whereas the Osage Minerals Council has considered and approved this
16 Agreement and authorized its members on the Osage Trust Team to execute this
17 Agreement, by resolution dated September 26, 2011, a copy of which is attached
18 as Exhibit 3;
- 19 k. Whereas the Osage Nation Congress has considered and approved this Agreement
20 and authorized the Principal Chief and the Speaker of the Osage Nation Congress,
21 both of whom are members of the Osage Trust Team, to execute this Agreement,
22 by resolution dated September 26, 2011, a copy of which is attached as Exhibit 4;
- 23 l. Whereas the Osage Trust Team has consulted with Osage Headright Holders, by:
- 24 i. the transmission of written materials explaining the settlement set forth in
25 this Agreement;
- 26 ii. holding a series of meetings with Osage Headright Holders at which
27 representatives of the Osage Trust Team and its lawyers have explained

1 the settlement set forth in this Agreement, and provided a summary of this
2 Agreement to Osage Headright Holders for review;

- 3 **m.** Whereas in cooperation with the Osage Trust Team, the United States has
4 canvassed the Osage Headright Holders to confirm support for the actions of the
5 Osage Tribe acting through the Osage Minerals Council in approving this
6 Agreement, using the canvass language set forth in Exhibit 2;
- 7 **n.** Whereas in the canvass the vast majority of the Osage Headright interests held by
8 the Osage Headright Holders who participated in the canvass expressed support
9 for the actions of the Osage Tribe acting through the Osage Minerals Council in
10 approving the terms of this settlement as set forth in this Agreement; and,
- 11 **o.** Recognizing that final adjudication of these claims may take many years and
12 entail great expense, and taking account of the legal risks to both Parties in
13 connection with the further prosecution of litigation relating to the Osage Mineral
14 Estate and the Osage Tribal Trust Account, including the CFC Action (at both the
15 trial and appellate levels).

16 **NOW THEREFORE**, the Parties agree as follows:

17 **2. DEFINITIONS.** For purposes of this agreement, the following definitions shall apply:

- 18 **a.** “**1906 Act**” shall mean the Act of June 28, 1906, ch. 3572, 34 Stat. 539, as
19 amended through the Effective Date.
- 20 **b.** “**Agreement**” shall mean this agreement and all Exhibits attached hereto.
- 21 **c.** “**CFC**” shall mean the United States Court of Federal Claims.
- 22 **d.** “**CFC Action**” shall mean the consolidated cases Nos. 99-550 and 00-169 in the
23 CFC.
- 24 **e.** “**Date of Payment**” shall mean the date on which the United States has made the
25 payments required by both Subsections 5(a) and (b).

1 **f. “Effective Date”** shall mean the date on which this Agreement is executed by the
2 Parties.

3 **g. “Exhibit”** shall mean any Exhibit to this Agreement, each of which is hereby
4 incorporated by reference.

5 **h. “Future Trust Fund Mismanagement Claims”** shall mean claims by the Osage
6 Tribe, for harms or violations occurring after September 30, 2011, including but
7 not limited to claims that:

8 **i.** the United States failed to invest funds in the Osage Tribal Trust
9 Account and/or Other Osage Accounts in a timely manner or that
10 the United States maintained excessive cash balances in the Osage
11 Tribal Trust Account and/or Other Osage Accounts;

12 **ii.** the United States failed to obtain an appropriate investment return
13 on funds in the Osage Tribal Trust Account and/or Other Osage
14 Accounts;

15 **iii.** the United States failed to deposit monies into the Osage Tribal
16 Trust Account and/or Other Osage Accounts or to disburse funds
17 from the Osage Tribal Trust Account and/or Other Osage Accounts
18 in a proper and timely manner;

19 **iv.** the United States disbursed monies from the Osage Tribal Trust
20 Account and/or Other Osage Accounts without the Osage Tribe’s
21 proper authorization; and,

22 **v.** the United States failed to report or provide information about the
23 United States’ actions or decisions relating to the Osage Tribal
24 Trust Account and/or Other Osage Accounts.

25 Future Trust Fund Mismanagement Claims shall not include claims by the Osage
26 Tribe, for harms or damages incurred or suffered by the Osage Tribe after
27 September 30, 2011, resulting from allegations that:

- 1 i. the United States failed to collect revenues that are due to the
2 Osage Tribe, based on the terms of leases, agreements, or other
3 form of contracts;
- 4 ii. the United States failed to collect revenues that are due to the
5 Osage Tribe based on the regulations governing the Osage Mineral
6 Estate; or that;
- 7 iii. the United States mismanaged the Osage Mineral Estate or other
8 non-monetary trust resources of the Osage Tribe (for purposes of
9 this category of claim, claims that the United States mismanaged
10 the Osage Mineral Estate would include all claims and allegations
11 enumerated in Subsection 7(a)(i)(3)).
- 12 i. “**Headright**” shall mean the right to a distribution of a portion of the proceeds of
13 the Osage Mineral Estate, as provided by the 1906 Act and the tribal roll created
14 pursuant to the 1906 Act.
- 15 j. “**Headright Acquisition Notice**” shall have the meaning set forth in Subsection
16 9(e).
- 17 k. “**Headright Holder**” shall mean the lawful owner of any interest in any
18 Headright, including fractional interests.
- 19 l. “**Interior Department**” or “**Department of the Interior**” shall mean the United
20 States Department of the Interior, including any and all of the Bureaus or agencies
21 thereof.
- 22 m. “**Osage Headright Holder**” shall mean a Headright Holder who is eligible to
23 vote for the Osage Minerals Council, as determined by the records of the Bureau
24 of Indian Affairs.
- 25 n. “**Osage Minerals Council**” shall mean the Osage Minerals Council in Article
26 XV, section 4 of the Osage Constitution dated March 11, 2006, as the successor to
27 all the powers and rights of the former Osage Tribal Council to act with respect to
28 the Osage Mineral Estate on behalf of itself and Headright Holders.

- 1 o. **“Osage Mineral Estate”** shall mean the mineral estate, as reserved by the 1906
2 Act, of the Osage Reservation (as defined in the Act of June 5, 1872, 17 Stat. 228,
3 comprising all of Osage County, Oklahoma).
- 4 p. **“Osage Tribal Trust Account”** shall mean the account in the United States
5 Treasury designated PL7386706, “Osage Tribe—Proceeds of Oil & Gas Leases
6 Royalties Etc.—Osage Reservation—7386” and the associated interest account
7 designated PL7886706, which was combined with PL7386706 in 1985.
- 8 q. **“Osage Tribe”** shall mean the Osage Tribe of Indians of Oklahoma, the tribal
9 government established by the 1906 Act and now federally recognized as the
10 Osage Nation, and its predecessors and successors in interest.
- 11 r. **“Osage Trust Team”** shall mean the team of representatives that has been created
12 by the Osage Tribe from the Osage Minerals Council, the Osage Nation Congress,
13 and the Osage Nation Executive Branch and that has been authorized to manage
14 and direct litigation and settlement relating to the Osage Mineral Estate and the
15 Osage Tribal Trust Account, including the CFC Action.
- 16 s. **“Other Osage Accounts”** shall mean the Osage Tribe’s accounts, other than the
17 Osage Tribal Trust Account, including but not limited to any of the following
18 kinds of accounts held by the United States on behalf of the Osage Tribe:
19 Proceeds of Labor accounts; any Tribal Individual Indian Money (Tribal-related
20 IIM) accounts; any Indian Money Proceeds of Labor (IMPL) accounts; any
21 Treasury accounts; any legislative settlement or award accounts; and any
22 judgment accounts, including the accounts designated with the following account
23 numbers: JA9271121 (judgment fund for Indian Claims Commission Dockets
24 105, 106, 107, 108); PL7385708 (Osage Fund); PL7387704 (Proceeds from Non-
25 Oil & Gas—Osage Reservation); PL7469700 (Restored Funds Osage Tribe
26 Holding Account); PL7549701 (Commencement Money and Other Damages to
27 Tribal Trust Land as the Result of Drilling Operations 25 CFR 19); 930T000000
28 (Minerals Pass Thru Account for TAAMS Distributions for Mineral Interest);

1 930N007753 (Distributions for Osage Tribe's Acquired Headright Interest); and
2 930N013264 (Education Fund).

- 3 t. **"Party"** shall mean a party to this Agreement.
- 4 u. **"Parties"** shall mean all parties to this Agreement.
- 5 v. **"Periodic Statement"** shall mean the document that the United States provides to
6 the Osage Tribe through the Osage Minerals Council, on at least a quarterly basis,
7 providing the following account information as to the Osage Tribal Trust Account
8 and each of the Other Osage Accounts:
- 9 i. the source, type and status of the funds in each account;
 - 10 ii. the beginning and ending balances of each account;
 - 11 iii. all gains and losses in each account; and
 - 12 iv. all receipts and disbursements for each account.
- 13 The form of a Periodic Statement shall be as set forth in Exhibits 6 and 7.
- 14 w. **"Section"** shall mean a section of this Agreement.
- 15 x. **"Stipulation of Dismissal"** shall mean the stipulation of dismissal of the CFC
16 Action that, pursuant to Section 6, the Parties are to jointly file in the CFC within
17 seven (7) calendar days of the Date of Payment.
- 18 y. **"Subsection"** shall mean a subsection of this Agreement.
- 19 z. **"Total Settlement Amount"** shall mean the sum of three hundred eighty million
20 dollars (\$380,000,000), which shall constitute the entire amount of money to be
21 paid by the United States in settlement of the claims described in Subsection 7(a).

22 **3. EXHIBITS.**

23 The following Exhibits are attached to, and incorporated in this Agreement:

1 or all of the claims asserted or waived by the Osage Tribe on behalf of itself
2 and the Headright Holders and no amount is attributable to any particular
3 claim, waiver, release or covenant.

4 **5. PAYMENT OF THE TOTAL SETTLEMENT AMOUNT.** In consideration
5 of (1) the filing of the Stipulation of Dismissal required pursuant to Section 6,
6 (2) the waivers, releases and covenants not to sue set forth in Subsection 7(a),
7 and (3) the other commitments and covenants made by the Osage Tribe in this
8 Agreement, the United States shall pay the Total Settlement Amount, as
9 follows:

10 a. The United States shall deduct proper expenses as authorized by the Osage Tribe
11 through the Osage Minerals Council in the amount of thirty four million two
12 hundred thousand dollars (\$34,200,000) from the Total Settlement Amount, and
13 pay the sum of those deducted expenses, no later than midnight Eastern Standard
14 Time on November 14, 2011, to the following payees in the following amounts:

15 i. Eight million one hundred thousand dollars (\$8,100,000) to Pipestem Law
16 Firm PC; and

17 ii. Twenty six million one hundred thousand dollars (\$26,100,000) to Akin
18 Gump Strauss Hauer & Feld LLP; and

19 b. Pay into the Osage Tribal Trust Account, an amount equal to three hundred forty-
20 five million eight hundred thousand dollars (\$345,800,000) no later than midnight
21 Eastern Standard Time on November 14, 2011; and,

22 c. Distribute from the Osage Tribal Trust Account the entirety of the amount
23 identified in Subsection 5(b) above to all Headright Holders pursuant to the 1906
24 Act no later than December 5, 2011.

25 **6. FILING OF STIPULATION OF DISMISSAL OF PENDING CASES.** Within
26 seven (7) calendar days of the Date of Payment, the Parties shall jointly file the

1 Stipulation of Dismissal, substantially in the form of the draft set forth in Exhibit

2 1.

3 **7. WAIVERS AND RESERVATION OF RIGHTS BY OSAGE TRIBE, ON**
4 **BEHALF OF ITSELF AND THE HEADRIGHT HOLDERS.**

5 **a. Waivers and Releases.**

6 **i.** Except as provided in Subsection 7(b), the Osage Tribe, on behalf of itself
7 and the Headright Holders, hereby waives and releases, and covenants not
8 to sue on, any and all claims and/or liabilities of any kind or nature
9 whatsoever, known or unknown, suspected or unsuspected, regardless of
10 legal theory, for any damages, equitable or specific relief, that are based
11 on harms or violations occurring on or before September 30, 2011, and
12 that relate to the Osage Tribe's monetary or non-monetary trust assets or
13 resources that have been or could have been asserted by the Osage Tribe
14 on behalf of itself and/or the Headright Holders on or before September
15 30, 2011, including but not limited to the following:

- 16 **1.** all claims asserted, or that could have been asserted by the Osage
17 Tribe in the CFC Action;
- 18 **2.** all claims regarding the United States' obligation to provide a
19 historical accounting or reconciliation of the Osage Tribal Trust
20 Account and the Other Osage Accounts or the United States'
21 fulfillment of such obligation;
- 22 **3.** all claims regarding the United States' alleged mismanagement of
23 the Osage Mineral Estate, including but not limited to any claim or
24 allegation that:
- 25 **a.** the United States failed to make the Osage Mineral Estate
26 productive;

- 1 **b.** the United States failed to obtain an appropriate return on,
2 or appropriate consideration for, the Osage Mineral Estate;
- 3 **c.** the United States failed to record or collect, fully or timely,
4 or at all, rents, fees, royalties, or other payments for the
5 transfer, sale, encumbrance, or use of the Osage Mineral
6 Estate;
- 7 **d.** the United States failed to preserve, protect, safeguard, or
8 maintain the Osage Mineral Estate;
- 9 **e.** the United States permitted the misuse or overuse of the
10 Osage Mineral Estate;
- 11 **f.** the United States failed to manage the Osage Mineral
12 Estate properly, including the approval of agreements for
13 the use and extraction of natural resources that are part of
14 the Osage Mineral Estate, and other grants to third parties
15 of authority to use the Osage Mineral Estate;
- 16 **g.** the United States failed to enforce the terms of any permits,
17 leases or contracts for the transfer, sale, encumbrance, or
18 use of the Osage Mineral Estate;
- 19 **h.** the United States failed to prevent trespass on the Osage
20 Mineral Estate;
- 21 **i.** the United States failed to report or to provide information
22 about the United States' actions or decisions relating to, or
23 to prepare an accounting of the Osage Mineral Estate;
- 24 **j.** the United States transferred, sold, encumbered, allotted,
25 managed, or used the Osage Mineral Estate; and,

1 k. the United States failed to manage the Osage Mineral
2 Estate properly by failing to undertake prudent transactions
3 for the sale, lease, use, or disposal of the Osage Mineral
4 Estate.

5 4. all claims regarding the United States' alleged mismanagement of
6 the Osage Tribal Trust Account and Other Osage Accounts up
7 through and including September 30, 2011, including but not
8 limited to any claim or allegation that:

9 a. the United States failed to invest revenue in the Osage
10 Tribal Trust Account and/or Other Osage Accounts in a
11 timely manner;

12 b. the United States maintained excessive cash balances in the
13 Osage Tribal Trust Account and/or Other Osage Accounts;

14 c. the United States failed to obtain an appropriate return on
15 funds in the Osage Tribal Trust Account and/or Other
16 Osage Accounts;

17 d. the United States failed to deposit monies into the Osage
18 Tribal Trust Account and/or Other Osage Accounts or
19 disburse monies from the Osage Tribal Trust Account
20 and/or Other Osage Accounts in a proper and timely
21 manner;

22 e. the United States disbursed monies from the Osage Tribal
23 Trust Account and/or Other Osage Accounts without the
24 Osage Tribe's proper authorization; and,

25 f. the United States failed to report or provide information
26 about the United States' actions or decisions relating to the
27 Osage Tribal Trust Account and/or Other Osage Accounts.

1 5. any claims arising out of or relating in any manner to the
2 negotiation or execution of this Agreement.

3 **b. Reservation of Rights.** Notwithstanding the waiver of claims, release and
4 covenant not to sue described in Subsection 7(a) above, the Osage Tribe shall
5 retain any right to:

6 i. subject to Subsection 8(h), assert any claim for harms or damages incurred
7 or suffered after September 30, 2011;

8 ii. receive payment of any balance shown on the Periodic Statements
9 provided to the Tribe in accordance with Subsection 8(a) for any of the
10 Other Osage Accounts (copies of which are attached as Exhibit 7); and,

11 iii. assert any claims not otherwise waived herein.

12 **c. No Effect.** This Agreement shall have no effect on any claim that any individual
13 might have deriving from his or her ownership of the surface estate of lands.

14 **d. Date of Effectiveness of Waivers.** The waivers, release and covenant not to sue
15 set forth in Subsection 7(a) shall take effect upon the Date of Payment.

16 **8. ACCOUNTING MATTERS.**

17 **a.** The United States has provided to the Osage Tribe a Periodic Statement for the
18 period through September 30, 2011, for the Osage Tribal Trust Account, a copy of
19 which is attached as Exhibit 6. This Periodic Statement reflects the balance of
20 funds in the Osage Tribal Trust Account as of September 30, 2011, prior to the
21 receipt into said account of the payment required by Subsection 5(b). Upon
22 receipt of the payment required by Subsection 5(b) into the Osage Tribal Trust
23 Account, the Osage Tribe accepts as accurate, as a matter of settlement and
24 compromise, the balance of the Osage Tribal Trust Account as of September 30,
25 2011 as set forth in the Periodic Statement attached as Exhibit 6. Upon receipt of
26 the payment required by Subsection 5(b) into the Osage Tribal Trust Account, the
27 Osage Tribe accepts, as a matter of settlement and compromise, Exhibit 6 as

1 constituting the accounting of the Osage Tribal Trust Account that is required by
2 law through September 30, 2011.

3 **b.** The United States has provided to the Osage Tribe a Periodic Statement for the
4 period through September 30, 2011, for each of the following Other Osage
5 Accounts: JA9271121, PL7385708, PL7387704, PL7549701, PL 7469700,
6 930T000000, 930N007753, and 930N013264. The United States represents and
7 warrants that these are all of the Other Osage Accounts open as of the Effective
8 Date. Each of these Periodic Statements reflects the balance of funds in each of
9 these Other Osage Accounts as of September 30, 2011. A copy of the Periodic
10 Statements provided for each of these Other Osage Accounts is attached hereto as
11 Exhibit 7. Upon receipt of the payment required by Subsection 5(b) into the
12 Osage Tribal Trust Account, the Osage Tribe accepts as accurate, as a matter of
13 settlement and compromise, the balance of these Other Osage Accounts as of
14 September 30, 2011 as set forth in the Periodic Statements attached hereto as
15 Exhibit 7. Upon receipt of the payment required by Subsection 5(b) into the
16 Osage Tribal Trust Account, the Osage Tribe accepts, as a matter of settlement
17 and compromise, Exhibit 7 as constituting the accounting of the Other Osage
18 Accounts that is required by law through September 30, 2011.

19 **c.** The United States shall provide to the Osage Tribe through the Osage Minerals
20 Council a Periodic Statement for the Osage Tribal Trust Account and each of the
21 Other Osage Accounts on a quarterly or, on request by the Osage Tribe through
22 the Osage Minerals Council, a monthly basis. The Periodic Statement shall be
23 substantially in the form of Exhibits 6 and 7. The Osage Tribe agrees that the
24 United States' provision of a Periodic Statement on at least a quarterly basis
25 fulfills the Secretary of the Interior's obligation pursuant to 25 U.S.C. § 4011(b)
26 and 25 U.S.C. § 4043(b)(2)(B)(ii).

27 **d.** The United States has provided the Osage Tribe with a letter that relates to the
28 Interior Department's annual audit of all funds held in trust for the benefit of
29 Tribes pursuant to the Act of June 24, 1938 (25 U.S.C. § 162a), a copy of which

1 letter is attached as Exhibit 9. The United States currently posts audit information
2 relating to fulfillment of its obligation under 25 U.S.C. § 4011(c) on a public
3 website maintained by the Office of the Special Trustee. Conditioned upon the
4 Interior Department's continued posting of annual audit information in like
5 manner on the public website maintained by the Office of the Special Trustee and
6 its compliance with Subsections 8(e) and (f), the Osage Tribe agrees that its
7 receipt of a letter that provides the same information as that set forth in Exhibit 9
8 satisfies the requirements of 25 U.S.C. § 4011(c), as such provision exists as of
9 the Effective Date.

10 e. Upon written request from the Osage Tribe acting through the Osage Minerals
11 Council, the Interior Department shall provide the Osage Tribe or its specified
12 agent with access to or an electronic copy of all accounting data in the Trust Fund
13 Accounting System for the Osage Tribal Trust Account and the Other Osage
14 Accounts.

15 f. Upon written request from the Osage Tribe, acting through the Osage Minerals
16 Council, the Interior Department shall provide the Osage Tribe or its specified
17 agent with on-site access to all relevant records in the Office of the Special
18 Trustee (including but not limited to records located in Pawhuska, Oklahoma and
19 Albuquerque, New Mexico) at least once a year for the purpose of conducting an
20 audit of the Osage Tribal Trust Account and the Other Osage Accounts. Such
21 access shall include access to the documents, a work area for the Osage Tribe or
22 its specified agent, and copies of specified documents upon request.

23 g. After the Date of Payment, the following provisions shall apply:

24 i. Any objections that the Osage Tribe has regarding the completeness or
25 accuracy of information provided by the United States in a Periodic
26 Statement must be presented in writing within two (2) years after the close
27 of the calendar year in which the reported period occurs or one (1) year
28 after the Periodic Statement is received by the Osage Tribe, whichever is
29 later. The written objection shall include a reasonably particular

1 description of the grounds for the objection. The Osage Tribe acting
2 through the Osage Minerals Council shall present the written objection to
3 the Department of the Interior, by U.S. certified mail, at the following
4 address:

5 United States Department of the Interior
6 Office of the Special Trustee for American Indians
7 1849 C Street, N.W., Mail Stop 2603
8 Washington, D.C. 20240
9 Attn: Director, Office of Trust Review and Audit

10 A copy of the written objection shall also be provided to the Regional
11 Director of the Eastern Oklahoma Regional Office of the Bureau of Indian
12 Affairs. Within sixty (60) days after receiving the Osage Tribe's written
13 objection, the Interior Department shall:

- 14 (a) provide the Osage Tribe through the Osage Minerals Council
15 with a revised Periodic Statement, if applicable;
- 16 (b) explain in writing why the original Periodic Statement was
17 correct; or
- 18 (c) advise the Osage Tribe through the Osage Minerals Council in
19 writing that additional time is needed to respond to the
20 objection.

21 ii. The Osage Tribe through the Osage Minerals Council can request
22 additional information in the possession or control of the Department of
23 the Interior regarding the Osage Tribal Trust Account or the Other Osage
24 Accounts at any time. The Osage Tribe acting through the Osage Minerals
25 Council shall direct such requests in writing to the following address:

26 United States Department of the Interior
27 Office of the Special Trustee for American Indians
28 1849 C Street, N.W., Mail Stop 2603
29 Washington, D.C. 20240
30 Attn: Director, Office of Trust Review and Audit

1
2 The United States will make best efforts to comply with additional
3 information requests submitted under this Section.

4 iii. The information reported in a Periodic Statement mailed by the Interior
5 Department to the Osage Tribe through the Osage Minerals Council, to
6 which no objection in writing is made to the Interior Department within
7 two (2) years after the close of the calendar year in which the reported
8 period occurs or one (1) year after the Periodic Statement is received by
9 the Osage Tribe, whichever is later, shall be presumed to be accurate and
10 correct; provided that such presumption shall apply only to Future Trust
11 Fund Mismanagement Claims. A failure by the Osage Tribe acting
12 through the Osage Minerals Council to make a timely written objection to
13 information reported in a Periodic Statement shall have no other legal
14 effect or consequence, except for the foregoing presumption and the
15 conditional waiver of Future Trust Fund Mismanagement Claims set forth
16 in Subsection 8(h). This limitation of legal effect shall not apply to other
17 acts and omissions of the Parties, if any, with regard to any future claims
18 or defenses of the Parties.

19 h. Excepting claims of fraud or gross negligence, the Osage Tribe conditionally
20 waives and covenants not to sue the United States, its agencies (including but not
21 limited to the Interior Department and the Treasury Department), its officials, its
22 employees, or its agents, for Future Trust Fund Mismanagement Claims relating
23 to the Osage Tribal Trust Account and Other Osage Accounts for a particular
24 calendar year, if the Osage Tribe acting through the Osage Minerals Council does
25 not present an objection in writing to the Department of the Interior, as specified
26 in Subsection 8(g). This waiver and covenant not to sue is conditioned on (i) the
27 Interior Department continuing in the future, at a minimum, to provide the Osage
28 Tribe through the Osage Minerals Council with the Periodic Statements described
29 herein and (ii) the Interior Department's compliance with Subsections 8(e) and
30 (f).

1 **9. MANAGEMENT OF MINERAL ESTATE.**

2 **a. Oil and Gas.** After the Effective Date, the United States shall provide the
3 following information to the Osage Minerals Council regarding the United States'
4 management of the oil and gas deposits within the Osage Mineral Estate.

5 **i. Oil.** For all oil produced from the Osage Mineral Estate:

6 1. Upon written request by the Osage Minerals Council, the United
7 States shall provide to the Osage Minerals Council scanned copies
8 of each run ticket left by each purchaser at the tank battery for each
9 sale, showing the date of sale, well or lease identity, lease operator,
10 purchaser, gravity of oil sold, and the temperature of the oil sold.
11 The United States shall also provide table tank data in order to
12 determine the volume of oil sold. The United States shall provide
13 the scanned copies of each run ticket and the table tank data within
14 thirty (30) days of its receipt of the written request.

15 2. On a quarterly basis, the United States shall provide the Osage
16 Minerals Council with scanned copies of each monthly purchaser
17 statement issued by the purchaser to the producer, containing the
18 date of the sale, well or lease identity, lease operator, purchaser,
19 volume of oil sold, gravity of oil sold, price paid per barrel for the
20 sale, 40-degree price used for the sale, gravity adjustment scale
21 used for the sale, and total amount paid for the sale.

22 3. On a quarterly basis, within thirty (30) days of the close of the
23 quarter being reported, the Osage Agency shall provide the Osage
24 Minerals Council with a report detailing the following information
25 for the quarter being reported:

26 a. The total amount of severance tax deducted from sales of
27 oil;

- b. the number of gaugers employed by the Osage Agency;
- c. the number of gaugings performed at each tank battery, and any discrepancies discovered; and,
- d. any measures taken by the Osage Agency to detect, measure, and recover royalties for volumes of oil lost through theft, spillage, mis-measurement, or any other means.

ii. Gas. For all gas produced on the Osage Mineral Estate, the United States shall provide the Osage Minerals Council the following documents and information on a quarterly basis:

1. for all production of gas at each oil or gas well during the quarter being reported, scanned copies of documents showing the total volume of raw gas measured at the well;
2. for all production of gas at each oil or gas well during the quarter being reported, scanned copies of documents showing the BTU value of raw gas produced at the well;
3. for each sale of gas during the quarter being reported, a scanned copy of the periodic gas analysis report taken by the purchaser, showing the components of raw natural gas, and the purchaser statement showing the volume of gas produced at the well, the total value paid for the raw gas, BTU content, percentage of residue gas paid to or returned to the producer, percentage of residue gas retained by the purchaser, volume of natural gas liquids (“NGLs”) recovered from the raw gas stream, the percentage of NGLs paid to or returned to the producer, percentage of NGLs retained by the purchaser, deductions for gathering, deductions for compression, deductions for dehydration, price used to value the residue gas, price used to value the NGLs;

- 1 4. a copy of each gas sale and purchase contract; and
- 2 5. a report from the Osage Agency detailing its efforts to detect or
- 3 prevent the release, venting, flaring, theft, or production of gas
- 4 from the Osage Mineral Estate without the payment of royalties
- 5 thereon.

6 **iii. Manner, Type, Format, or Source of Information To Be Superseded.**

7 Upon the effective date of the rules or regulations adopted through the

8 negotiated rulemaking described in Subsection 9(b) below, the information

9 that the United States shall provide to the Osage Tribe, through the Osage

10 Minerals Council, regarding the United States' management of the oil and

11 gas deposits within the Osage Mineral Estate, as described in this

12 subsection above, shall then be provided in accordance with the effective

13 rules or regulations.

14 **b. Negotiated Rulemaking.** To improve the management of the Osage Mineral

15 Estate, the Department of the Interior agrees to engage at the earliest date

16 practicable after the Effective Date in a negotiated rulemaking with the Osage

17 Tribe pursuant to 5 U.S.C. §§ 561-570a, in accordance with the terms of that Act

18 and in accordance with the Determination of Need under 5 U.S.C. § 563 attached

19 hereto as Exhibit 8. The scope of the negotiated rule-making should include, but

20 need not be limited to, the following:

- 21 i. Identifying the appropriate information needed from all operators,
- 22 purchasers and payers who are associated with the Osage Mineral Estate
- 23 and developing and implementing standardized reporting to manage
- 24 diligently production and accounting;
- 25 ii. Identifying the source, manner, and format of transmission whereby the
- 26 information required by Subsection 9(a) will be provided to the Osage
- 27 Minerals Council;

- 1 iii. Identifying appropriate revisions to the methods for calculating royalties
2 and rentals for oil and gas, including but not limited to royalty rates,
3 royalty value (pricing), and rental rates;
- 4 iv. Identifying the best feasible practices for developing and conducting
5 onsite inspection programs;
- 6 v. Identifying the feasibility of implementing technological enhancements
7 for generating run tickets and other production data for reporting that
8 information to the Osage Tribe and the United States;
- 9 vi. Identifying the best feasible practices for gauging oil and gas production
10 and the resources needed to implement the strategy selected;
- 11 vii. Identifying and implementing the best feasible practices for tank battery
12 gauging; and,
- 13 viii. Determining and documenting the formal communication needed to
14 manage diligently the Osage Mineral Estate between the Osage Tribe, the
15 Osage Minerals Council and the United States.
- 16 c. **Consultation.** The United States shall meet with the Osage Minerals Council at
17 least twice each year to review issues identified in writing by the Osage Minerals
18 Council relating to the management and administration of the Osage Mineral
19 Estate. The Parties shall establish the annual schedule for such meetings in
20 January of each year. The first such meeting shall take place in January 2012 on a
21 date that is mutually agreed. The Osage Minerals Council shall submit its agenda
22 of issues to be discussed in the upcoming consultation meeting in writing at least
23 thirty (30) days in advance of the meeting. The United States and the Osage
24 Minerals Council agree that the agenda for the first consultation will address a
25 plan to undertake a review of gauging activities on the Osage Mineral Estate and
26 make recommendations to the Parties as to how to improve the procedure and
27 frequency of gauging, including the means, techniques and tools for measurement

1 used for gauging sufficient to meet industry standards. The Osage Minerals
2 Council's agenda of issues to be discussed may include reasonable requests for
3 information from the Osage Agency relating to topics that are to be discussed
4 during the upcoming meeting. The Osage Agency shall make best efforts to
5 provide the information requested by the Osage Minerals Council in advance of
6 the meeting in which the information is to be discussed. The purpose of these
7 meetings shall be to identify and recommend in writing to the United States and
8 the Osage Tribe improvements that could be made in the overall management and
9 administration of the Osage Mineral Estate. At least one (1) representative from
10 the United States in these meetings shall be a representative from the Office of the
11 Director of the Bureau of Indian Affairs. The United States and the Osage Tribe
12 agree to consider and pursue in good faith any recommendations made as a result
13 of these consultations. The United States and the Osage Minerals Council shall
14 prepare a joint written annual report setting forth the topics of issues discussed
15 during the preceding year, the recommendations and actions agreed upon, and the
16 outcomes identified, if any. The report shall also include a list of additional topics
17 and issues that the Parties have identified for further review and consideration in
18 future meetings. If the Parties are unable to agree upon the language of any part
19 of such annual report, each Party may include its own written views on the topic
20 in question. The Parties shall submit the annual report to the Secretary of the
21 Interior and the Principal Chief of the Osage Tribe no later than February 15 of
22 each year, beginning in 2012.

- 23 **d. Restoration of Unclaimed Distributions and Payments.** As soon as practicable
24 after the Effective Date but not later than one (1) year after the Effective Date, the
25 United States shall identify all funds that are "unclaimed" within the meaning of
26 25 U.S.C. § 164 (75 Stat. 584) that are derived from the Osage Tribal Trust
27 Account and all Other Osage Accounts. The United States shall promptly restore
28 to the Osage Tribal Trust Account any unclaimed funds so identified that are
29 eligible for such restoration pursuant to 25 U.S.C. § 164, whereupon such funds
30 will be re-distributed in accordance with Section 4 of the 1906 Act.

1 **e. Notice of Desire to Acquire Headrights.** Upon written request from the Osage
2 Minerals Council, the United States shall transmit no more than once annually for
3 the years 2012 and 2013, a written notice to all non-Osage Headright Holders
4 notifying such Headright Holders of the Osage Tribe’s interest in having
5 Headrights transferred in accordance with Pub. L. No. 98-605, October 30, 1984,
6 98. Stat. 3163 (“Headright Acquisition Notice”). The Headright Acquisition
7 Notice shall be in a form provided to the United States by the Osage Minerals
8 Council, and shall be subject to the United States’ approval, such approval not to
9 be unreasonably withheld. The Headright Acquisition Notice shall set forth the
10 Osage Tribe’s interest in having Headrights transferred in accordance with Pub. L.
11 No. 98-605, October 30, 1984, 98 Stat. 3163; any background information that the
12 Osage Minerals Council considers relevant to that interest; and the procedure for a
13 Headright Holder to follow if he or she is interested in transferring ownership of
14 his or her Headright in accordance with Pub. L. No. 98-605, October 30, 1984, 98
15 Stat. 3163. The United States’ obligation under this Subsection shall be limited to
16 the following: (i) reviewing and approving the Headright Acquisition Notice; and
17 (ii) transmitting the Headright Acquisition Notice to non-Osage Headright
18 Holders by U.S. mail, or other reasonable means of transmission. Beginning in
19 2014, should the Osage Tribe elect to continue with the transmission of such
20 mailings to non-Osage Headright Holders, the Osage Minerals Council may
21 request no more than once annually that the Osage Agency affix mailing labels for
22 such non-Osage Headright Holders to letters prepared and stamped by the Osage
23 Tribe and place such letters in the U.S. mail for delivery.

24 **10. EFFECTIVE DATE.** This Agreement shall be effective on the Effective Date.
25 In the event the United States fails for any reason to make the payment required
26 by Subsection 5(b) within sixty (60) days of the execution of this Agreement,
27 this Agreement, including its terms, conditions, waivers, releases, covenants not
28 to sue, and dismissals, shall be voidable by the Osage Tribe in its sole
29 discretion.

30 **11. OTHER PROVISIONS.**

- 1 **a. Entire Agreement Between Parties.** This Agreement is the entire agreement
2 between the Parties with respect to the matters set forth herein. All prior
3 conversations, meetings, discussions, drafts, and writings of any kind are
4 specifically superseded by this Agreement.
- 5 **b. Modification.** The terms of this Agreement may not be changed, revised, or
6 modified, except as provided by a written instrument that is signed by the Parties.
- 7 **c. Compliance with Anti-Deficiency Act.** No term or provision of this Agreement
8 will constitute or will be construed as a commitment or a requirement that the
9 United States obligate or pay funds in contravention of the Anti-Deficiency Act,
10 31 U.S.C. § 1341, or any other applicable law or regulation.
- 11 **d. No Modification of Trust Relationship.** Nothing in this Agreement shall have
12 the effect of altering existing federal law or regulations relating to the trust
13 relationship and dealings between the Parties.
- 14 **e. Authority of Parties to Enter Into Agreement.** The undersigned
15 representative(s) for each Party certifies that he or she is fully authorized by the
16 Party whom he or she represents to enter into the terms and conditions of this
17 Agreement and to bind legally such Party to it. The Osage Tribe enters this
18 Agreement on behalf of itself and the Headright Holders.
- 19 **f. Required Party.** The Parties agree that the Osage Tribe is the only party with
20 standing and interest to bring claims relating to the accounting and management
21 of funds in the Osage Tribal Trust Account and Other Osage Accounts or claims
22 relating to the management of the Osage Mineral Estate. The Parties further agree
23 that the Osage Tribe's interest in any such claim is such that the Osage Tribe
24 would be a required party for purposes of Rule 19(a) of the Federal Rules of Civil
25 Procedure and for purposes of Rule 19(a) of the Rules of the Court of Federal
26 Claims.
- 27 **g. No Cooperation.** The Osage Tribe, its officers or employees, including the
28 Osage Minerals Council, shall not aid, assist, or support in any way any individual

1 or party in the development, initiation, or litigation of a claim against the United
2 States that the Osage Tribe has otherwise waived in this Agreement, including in
3 the form of sharing evidence, documents, materials, or other information the
4 Osage Tribe, their counsel, consultants, experts, or contractors possess relating to
5 the claims in the CFC Action. The Osage Tribe has obtained contractual
6 commitments from its experts and consultants in the CFC Action that these
7 experts and consultants will not advise, assist, or support in any way any
8 individual or party in the development, initiation, or litigation of a claim against
9 the United States that the Osage Tribe has otherwise waived in this Agreement, a
10 list of which experts and consultants is attached as Exhibit 5. Copies of these
11 contractual commitments are also attached as Exhibit 5.

12 **h. Execution of Agreement in Counterpart.** This Agreement may be executed in
13 one or more counterparts, each of which shall constitute an original, and all of
14 which, taken together, shall constitute one and the same instrument. Facsimile
15 signatures shall have the same effect as original signatures in binding the Parties
16 hereto.

17 **i. Informed Consent.** The Parties agree that they negotiated this Agreement in good
18 faith and that they were represented by competent counsel throughout the
19 settlement negotiations, leading up to and including the final execution of the
20 Agreement. The Parties further agree that, prior to executing the Agreement, their
21 respective counsel fully informed them of the contents and consequences of the
22 Agreement and that each Party independently concluded that entering into the
23 Agreement was a fair and reasonable disposition of the factual and legal disputes
24 described herein.

25 **j. Informal Dispute Resolution Process Relating to Agreement.** After the
26 Effective Date, if there is a dispute over compliance with any term or provision of
27 this Agreement, the disputing Party will notify the other Party in writing of the
28 dispute. The Parties will attempt to work out the dispute informally, as set forth
29 below, before seeking judicial review.

1 The disputing Party will engage the other Party in informal dispute
2 resolution. During this informal dispute resolution period, which will not exceed
3 sixty (60) calendar days (unless the Parties agree to an extension of the period),
4 the Parties shall meet as many times as both Parties deem necessary to discuss and
5 attempt to resolve the dispute.

6 At the end of the informal dispute resolution period, if the Parties are unable to
7 resolve the dispute through informal dispute resolution, either Party may take
8 such action as it deems appropriate, including but not limited to filing an action in
9 a federal court of competent jurisdiction.

10 **i. Resolution of disputes arising under Section 9.** If a dispute arises
11 relating to fulfillment of the obligations of Section 9, after the period for
12 informal dispute resolution set forth in Subsection 11(j) has expired, the
13 following procedures shall apply.

14 **1.** If the Osage Tribe believes that the United States has failed to fulfill
15 any obligation set forth in Subsections 9(a), (b), (c), or (e), the Osage
16 Tribe may seek to enforce such obligations in accordance with
17 applicable federal law and regulation. If the Osage Tribe seeks
18 administrative review within the Bureau of Indian Affairs of any
19 alleged failure or violation on the part of the United States of its
20 obligations set forth in Subsections 9(a), (b), (c), or (e), the Osage
21 Tribe may, in its sole discretion, submit a written request for specific
22 performance of the obligation allegedly being violated directly to the
23 Eastern Oklahoma Regional Director of the Bureau of Indian Affairs in
24 accordance with 25 C.F.R. 2.8. Notwithstanding any other provision
25 set forth in 25 C.F.R. Part 2, the Eastern Oklahoma Regional Director
26 of the Bureau of Indian Affairs shall render a decision on the matter as
27 set forth in the Osage Tribe's request for decision within thirty (30)
28 days of the Bureau's receipt of the letter setting forth the request. The
29 Osage Tribe may appeal the decision of the Eastern Oklahoma

1 Regional Director of the Bureau of Indian Affairs to the Interior Board
2 of Indian Appeals in accordance with 25 C.F.R. 2.20 and 43 C.F.R.
3 Part 4.

4 2. Notwithstanding any waiver, release or covenant not to sue set forth in
5 Section 7, the Osage Tribe may seek any redress for any alleged
6 violation of Subsection 9(d) in accordance with applicable federal law
7 and regulation in any forum of competent jurisdiction.

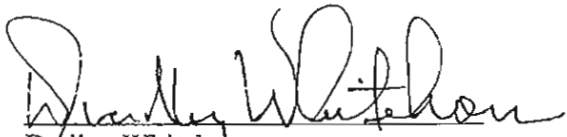
8 3. The United States retains the right to assert all defenses in any action
9 brought by the Osage Tribe to enforce any provision of this
10 Agreement, including Section 9, whether administrative or judicial,
11 and nothing in this paragraph shall be deemed a waiver of any defense.

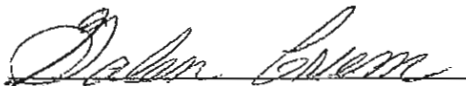
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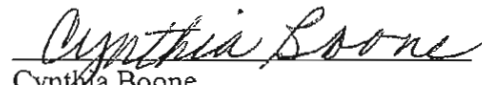
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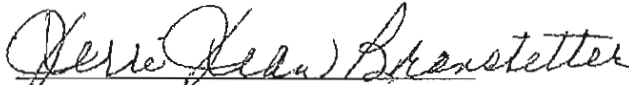
1 **IN WITNESS WHEREOF**, the Parties have executed this Agreement dated as of the day and
2 year first written above.

3 **FOR THE OSAGE TRIBE**

4 
5
6 Dudley Whitehorn
7 Chairman of the Osage Trust Team and Member of the Osage Minerals Council

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9 
10 Galen Crum
11 Chairman of the Osage Minerals Council and Member of the Osage Trust Team

12
13
14 
15 Cynthia Boone
16 Member of the Osage Trust Team and Member of the Osage Minerals Council

17
18 
19 Jerri Jean Branstetter
20 Speaker of the Osage Nation Congress and Member of the Osage Trust Team

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22 
23 John D. Red Eagle
24 Principal Chief and Member of the Osage Trust Team

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26

1

2 **FOR THE UNITED STATES**

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4 10/14/11
5 Date

Ignacia S. Moreno

6 Ignacia S. Moreno
7 Assistant Attorney General, Environment and Natural Resources Division
U.S. Department of Justice

8

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EXHIBIT 1

FORM OF STIPULATION OF DISMISSAL

IN THE UNITED STATES COURT OF FEDERAL CLAIMS

THE OSAGE TRIBE OF INDIANS)	
OF OKLAHOMA,)	
)	No. 99-550L
Plaintiff,)	(into which has been consolidated
)	No. 00-169L)
v.)	Chief Judge Emily C. Hewitt
)	
)	
THE UNITED STATES OF AMERICA,)	
)	
Defendant.)	
_____)	

JOINT STIPULATION OF DISMISSAL WITH PREJUDICE

Pursuant to Court of Federal Claims Rule 41(a)(1)(A)(ii), Plaintiff Osage Nation and/or Tribe of Indians of Oklahoma and Defendant United States of America jointly stipulate that these consolidated cases are dismissed with prejudice, in accordance with a settlement agreement dated XXXXXXXX.

Respectfully submitted this XX day of XXXXXXXX, 2011,

IGNACIA S. MORENO
Assistant Attorney General

s/ Wilson K. Pipestem
WILSON K. PIPESTEM
Pipestem Law Firm, P.C.
1333 New Hampshire Ave., NW
Washington, D.C. 20036
Tel: 202-419-3526
Fax: 202-659-4931
wkpipestem@pipestemlaw.com
ATTORNEY FOR PLAINTIFF

s/ Joseph H. Kim
JOSEPH H. KIM, IL Bar #6243249
U.S. Department of Justice
Environment & Natural Resources Division
Natural Resources Section
P.O. Box 663
Washington, D.C. 20044-0663
Tel: 202-305-0207
Fax: 202-353-2021
joseph.kim@usdoj.gov
ATTORNEYS FOR DEFENDANT
UNITED STATES OF AMERICA

OF COUNSEL:

Execution Version

ROMNEY PHILPOTT, CO Bar # 35112
BRIAN COLLINS, TX Bar # 24038827
U.S. Department of Justice
Environment & Natural Resources Division
Natural Resources Section
P.O. Box 663
Washington, D.C. 20044-0663
Tel: 202-305-0258
Tel: 202-305-0428

ERICKA HOWARD
HOLLY CLEMENT
DONDRAE MAIDEN
Office of the Solicitor
United States Department of the Interior
Washington, D.C. 20240

REBECCA SALTIEL
THOMAS KEARNS
Office of the Chief Counsel
Financial Management Service
United States Department of the Treasury
Washington, D.C. 20227

EXHIBIT 2

BALLOT INSTRUCTIONS

1. Each ballot is numbered and is not transferable. Only the person named on the envelope may complete the enclosed ballot.
2. Use ink.
3. Mark only one box. Shade the box next to your choice, or place an X or a check mark in the box.
4. If you make a mistake and mark the wrong box, you may write on the ballot to make a correction clearly indicating your choice.
5. Sign and date the ballot.
6. Print your name and address in the lower right corner of the ballot.
7. Return your ballot in the enclosed envelope. If you did not receive an envelope or have lost the envelope, mail your ballot by U.S. Mail to:

Bureau of Indian Affairs
Osage Agency
P.O. Box 1046
Pawhuska, OK 74056

8. **DO NOT HAND DELIVER YOUR BALLOT.** Ballots must be mailed to the Osage Agency by U.S. Mail to ensure consideration.
9. To ensure consideration, ballots should postmarked no later than **September 19, 2011.**
10. If you have questions about the ballot or about the settlement, you are encouraged to raise those questions at one of the remaining informational meetings with the Osage Trust Team and its outside counsel:

Friday, September 2 7:00 p.m. local time	Osage Event Center Located in the Tulsa Casino 951 West 36th Street North Tulsa, OK 74127
Saturday, September 3 1:00 p.m. local time	Akin Gump Strauss Hauer & Feld LLP 1700 Pacific Avenue, Suite 4100 Dallas, TX 75201

If you cannot attend a meeting and still have questions, please call the Osage Minerals Council at (918) 287-5433.

CANVASS LANGUAGE

BALLOT

Mark ONE Only

I SUPPORT the actions of the Osage Minerals Council in approving settlement of claims regarding the United States' alleged mismanagement of the Osage Tribal Trust Account and other Osage Trust Accounts and the Osage Mineral Estate.

I DO NOT SUPPORT the actions of the Osage Minerals Council in approving settlement of claims regarding the United States' alleged mismanagement of the Osage Tribal Trust Account and other Osage Trust Accounts and the Osage Mineral Estate.

SIGNATURE: _____

PRINT NAME: _____

DATE: _____

ADDRESS: _____

0001

EXHIBIT 3

**Resolution of Approval of Agreement by the
Osage Minerals Council**

RESOLUTION OF
THE OSAGE MINERALS COUNCIL

WHEREAS,

2-67

1. The Osage Tribe Allotment Act of 1906 and the amendments thereto ("1906 Act") reserved the mineral estate of the Osage Reservation to the Osage Tribe ("Osage Mineral Estate");
2. Pursuant to the 1906 Act, the revenues from the Osage Mineral Estate are to be placed in the Osage Tribe's tribal trust account ("Osage Tribal Trust Account");
3. Pursuant to the 1906 Act, the revenues placed in the Osage Tribal Trust Account are to be distributed to the holders of Headrights;
4. The Osage Minerals Council, established pursuant to Article XV of the Osage Nation Constitution, is an independent agency within the Osage Nation;
5. The Osage Nation Constitution vests the Osage Minerals Council with the power to administer and develop the Osage Mineral Estate in accordance with 1906 Act, previously vested in the Osage Tribal Council;
6. The Osage Minerals Council has the authority to act for, to protect the interests of, and to bind Headright Holders with respect to matters relating to the Osage Mineral Estate, including the initiation, prosecution and settlement of claims relating to the Osage Mineral Estate;
7. The Osage Tribe initiated proceedings in the U.S. Court of Federal Claims ("CFC") to seek money damages from the United States for alleged breaches and failures on the part of the United States in the collection of revenues due to the Osage Tribal Trust Account, and the United States' subsequent management and disbursement of such revenues, among other claims ("CFC Action");
8. The CFC has held that under the 1906 Act, the Osage Tribe is the only proper party with standing to seek money damages for the breaches and failures alleged in the CFC Action;
9. A team of five representatives from the Osage Minerals Council, the Osage Nation Congress, and the Osage Nation Executive Branch have been designated to manage and direct litigation relating to the Osage Mineral Estate and the Osage Tribal Trust Account, including the CFC Action ("Osage Trust Team");
10. The United States has initiated settlement negotiations with the Osage Trust Team;
11. The United States and the Osage Trust Team have negotiated in good faith and have arrived at a proposed settlement of litigation relating to the Osage Mineral

Estate and the Osage Tribal Trust Account, including the CFC Action, for an amount totaling \$380,000,000, and other valuable consideration;

12. The Osage Trust Team has consulted with Osage Headright Holders, by:

- a. The transmission of written materials explaining the proposed settlement;
- b. Holding a series of meetings with Osage Headright Holders at which representatives of the Osage Trust Team and its lawyers have explained the proposed settlement; and,
- c. In cooperation with the Osage Trust Team, the United States has conducted a canvass of Osage Headright Holders for approval of the terms of the settlement;

13. A majority of the voting Osage Headright interests agree that the proposed settlement should be approved; and

14. The Osage Minerals Council has carefully considered the proposed settlement;

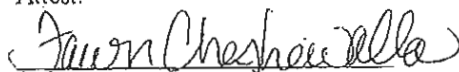
THEREFORE, BE IT RESOLVED,

The Osage Minerals Council approves the proposed settlement, authorizes the payment of attorneys' fees in accordance therewith, and authorizes the Trust Team and the members thereof to execute the settlement agreement.

CERTIFICATION

I hereby certify the foregoing Resolution No. 2-67 was considered by the Osage Minerals Council at a duly called meeting in Pawhuska, Oklahoma, at which a quorum was present and the same was adopted by a vote of 7 in favor and 1 opposed on this 26th day of September, 2011.

Attest:


Secretary, Fawn Cheshewalla


Chairman, Galen Crum

EXHIBIT 4

**Resolution of Approval of Agreement by the
Osage Nation Congress**

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OSAGE NATION CONGRESS

3rd Session of the 2nd Congress

RESOLUTION NUMBER ONCR 11-22

ENROLLED

September 26, 2011

SPONSOR: Jerri Jean Branstetter

CO-SPONSOR(S): Daniel Boone, Shannon Edwards, Archie Mason,
Raymond Red Corn, Geoffrey Standing Bear and William
Supernaw

A Resolution

To approve the proposed settlement of litigation against the United States relating to the Osage Mineral Estate; and to authorize the Principal Chief and the Speaker of the Congress to execute the settlement agreement.

Be it resolved by the Congress of the Osage Nation:

WHEREAS,

1. The Osage Tribe Allotment Act of 1906 and the amendments thereto ("1906 Act") reserved the mineral estate of the Osage Reservation to the Osage Tribe ("Osage Mineral Estate");
2. Pursuant to the 1906 Act, the revenues from the Osage Mineral Estate are to be placed in the Osage Tribe's tribal trust account held by the U.S. Treasury ("Osage Tribal Trust Account");
3. Pursuant to the 1906 Act, the revenues placed in the Osage Tribal Trust Account are to be distributed to the holders of Headrights;
4. The Osage Minerals Council has the authority to act for, to protect the interests of, and to bind Headright Holders with respect to matters relating to the Osage Mineral Estate, including the initiation, prosecution and settlement of claims relating to the Osage Mineral Estate;
5. The Osage Tribe initiated proceedings in the U.S. Court of Federal Claims ("CFC") to seek money damages from the United States for alleged breaches and failures on the part of the United States in the collection of revenues due to the Osage Tribal Trust Account, and the United States' subsequent management and disbursement of such revenues, among other claims ("CFC Action");

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6. The CFC has held that under the 1906 Act, the Osage Tribe is the only proper party with standing to seek money damages for the breaches and failures alleged in the CFC Action;
 7. A team of five representatives from the Osage Minerals Council, the Osage Nation Congress, and the Osage Nation Executive Branch have been designated to manage and direct litigation relating to the Osage Mineral Estate and the Osage Tribal Trust Account, including the CFC Action (“Osage Trust Team”);
 8. The United States has initiated settlement negotiations with the Osage Trust Team;
 9. The United States and the Osage Trust Team have negotiated in good faith and have arrived at a proposed settlement of litigation relating to the Osage Mineral Estate and the Osage Tribal Trust Account, including the CFC Action, for an amount totaling \$380,000,000, and other valuable consideration;
 10. The Osage Trust Team has consulted with Osage Headright Holders, by:
 - a. The transmission of written materials explaining the proposed settlement;
 - b. Holding a series of meetings with Osage Headright Holders at which representatives of the Osage Trust Team and its lawyers have explained the proposed settlement; and
 - c. In cooperation with the Osage Trust Team, the United States has conducted a canvass of Osage Headright Holders for approval of the terms of the settlement;
 11. A majority of the voting Osage Headright interests agree that the proposed settlement should be approved;
 12. The Osage Minerals Council is expected to consider and approve the proposed settlement to authorize its members on the Osage Trust Team to execute this Agreement by resolution;

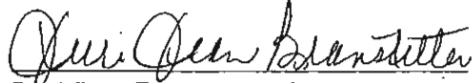
88 **NOW, THEREFORE, BE IT RESOLVED,**
89

90 The Osage Nation Congress approves the proposed settlement, authorizes the
91 payment of attorneys’ fees in accordance therewith, and authorizes the Principal Chief
92 and the Speaker of the Osage Nation Congress, both of whom are members of the Osage
93 Trust Team, to execute the settlement agreement.

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ADOPTED by the Osage Nation Congress on this 26th day of September, 2011.

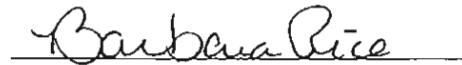
IN WITNESS WHEREOF, the Speaker of the Osage Nation Congress has hereto attached her signature.


Jerri Jean Branstetter, Speaker
Osage Nation Congress

I, THE UNDERSIGNED, CERTIFY THAT THE FOREGOING IS A TRUE EXTRACT FROM THE MINUTES OF THE Osage Nation Congress comprised of twelve members and one ex-officio member with 11 members attending this meeting on the 26th day of September, 2011, and that the above is in conformity with the provisions therein adopted by a vote of 10 in favor, 0 against, 1 abstention and 1 absent.

Daniel Boone	abstain
Jerri Jean Branstetter	yes
Shannon Edwards	absent
John Free	yes
Alice Goodfox	yes
Archie Mason	yes
Raymond Red Corn	yes
Eddy Red Eagle, Jr.	yes
Anthony Shackelford	yes
Mark Simms	yes
Geoffrey Standing Bear	yes
William Supernaw	yes

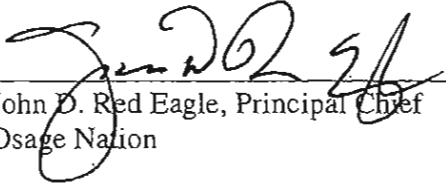
Said Resolution has not been rescinded or amended in any way and the above is the signature of the Speaker of the Osage Nation Congress.


Barbara Rice, Clerk
Osage Nation Congress

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APPROVAL

I, the Principal Chief of the Osage Nation, hereby affix my signature this 26th day of September, 2011, to the above Resolution No. ONCR 11-22 authorizing it to become a law under the Constitution of the Osage Nation.



John D. Red Eagle, Principal Chief
Osage Nation

EXHIBIT 5

List of Experts and Consultants and Consultant Contracts

Dan Reineke
Joseph Harry
Jim Parris
Stephen Jay
Bruce Kramer
Christopher James
Cornerstone Research

AGREEMENT

This AGREEMENT, dated as of October 5, 2011, is entered into between Daniel T. Reineke, P.E., and the Osage Tribe (meaning the Osage Tribe of Indians of Oklahoma, the tribal government established by the 1906 Act and now federally recognized as the Osage Nation, and its predecessors and successors in interest) (collectively, the "Parties").

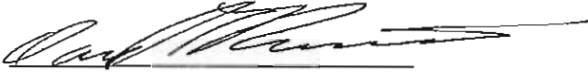
RECITALS.

- a. WHEREAS the Osage Tribe initiated proceedings in the U.S. Court of Federal Claims ("CFC") to seek money damages from the United States for alleged breaches and failures on the part of the United States in the collection of revenues due to the Osage Tribal Trust Account, and the United States' subsequent management and disbursement of such revenues, among other claims ("CFC Action");
- b. WHEREAS the Osage Tribe engaged Mr. Reineke to provide expert witness testimony in the CFC Action, and he provided such testimony;
- c. WHEREAS the Osage Tribe and the United States have negotiated a proposed settlement agreement that would settle the claims in the CFC case ("Settlement Agreement");
- d. WHEREAS the Osage Tribe and the United States have agreed that no other party has standing to raise such claims;
- e. WHEREAS the Settlement Agreement includes a provision that the Osage Tribe, its officers or employees, including the Osage Minerals Council, shall not aid, assist, or support in any way any individual or party in the development, initiation, or litigation of a claim against the United States that the Osage Tribe otherwise waives in the Settlement Agreement, including in the form of sharing evidence, documents, materials, or other information the Osage Tribe, their counsel, consultants, experts, or contractors possess relating to the claims in the CFC Action; and

f. WHEREAS the Settlement Agreement requires the Osage Tribe to represent that it has obtained contractual commitments from its experts and consultants in the CFC Action that these experts and consultants will not advise, assist, or support in any way any individual or party in the development, initiation, or litigation of a claim against the United States that the Osage Tribe otherwise waives in the Settlement Agreement,

NOW THEREFORE, the Parties agree:

1. Daniel T. Reineke, P.E., will not advise, assist, or support in any way any individual or party in the development, initiation, or litigation of a claim against the United States that the Osage Tribe waives on behalf of itself and the Headright Holders in the Settlement Agreement.
2. Daniel T. Reineke, P.E., shall comply with any applicable confidentiality and/or protective orders issued in the CFC Action.
3. Subject to the restrictions above, nothing in this agreement limits or prevents Daniel T. Reineke, P.E., from assisting any other tribe in any way desired by that tribe in bringing and prosecuting any claims that such tribe or tribes may have against the United States regardless of whether the Osage Tribe had similar claims of its own that were waived in the Osage Tribe's Settlement Agreement.
4. The United States is a third party beneficiary to this agreement and may enforce the covenants set forth in Sections 1 and 2 against Daniel T. Reineke, P.E.


Daniel T. Reineke, P.E.

John D. Red Eagle
Principal Chief
Osage Nation

AGREEMENT

This AGREEMENT, dated as of October 5, 2011, is entered into between Daniel T. Reineke, P.E., and the Osage Tribe (meaning the Osage Tribe of Indians of Oklahoma, the tribal government established by the 1906 Act and now federally recognized as the Osage Nation, and its predecessors and successors in interest) (collectively, the "Parties").

RECITALS.

- a. WHEREAS the Osage Tribe initiated proceedings in the U.S. Court of Federal Claims ("CFC") to seek money damages from the United States for alleged breaches and failures on the part of the United States in the collection of revenues due to the Osage Tribal Trust Account, and the United States' subsequent management and disbursement of such revenues, among other claims ("CFC Action");
- b. WHEREAS the Osage Tribe engaged Mr. Reineke to provide expert witness testimony in the CFC Action, and he provided such testimony;
- c. WHEREAS the Osage Tribe and the United States have negotiated a proposed settlement agreement that would settle the claims in the CFC case ("Settlement Agreement");
- d. WHEREAS the Osage Tribe and the United States have agreed that no other party has standing to raise such claims;
- e. WHEREAS the Settlement Agreement includes a provision that the Osage Tribe, its officers or employees, including the Osage Minerals Council, shall not aid, assist, or support in any way any individual or party in the development, initiation, or litigation of a claim against the United States that the Osage Tribe otherwise waives in the Settlement Agreement, including in the form of sharing evidence, documents, materials, or other information the Osage Tribe, their counsel, consultants, experts, or contractors possess relating to the claims in the CFC Action; and

f. WHEREAS the Settlement Agreement requires the Osage Tribe to represent that it has obtained contractual commitments from its experts and consultants in the CFC Action that these experts and consultants will not advise, assist, or support in any way any individual or party in the development, initiation, or litigation of a claim against the United States that the Osage Tribe otherwise waives in the Settlement Agreement,

NOW THEREFORE, the Parties agree:

1. Daniel T. Reineke, P.E., will not advise, assist, or support in any way any individual or party in the development, initiation, or litigation of a claim against the United States that the Osage Tribe waives on behalf of itself and the Headright Holders in the Settlement Agreement.
2. Daniel T. Reineke, P.E., shall comply with any applicable confidentiality and/or protective orders issued in the CFC Action.
3. Subject to the restrictions above, nothing in this agreement limits or prevents Daniel T. Reineke, P.E., from assisting any other tribe in any way desired by that tribe in bringing and prosecuting any claims that such tribe or tribes may have against the United States regardless of whether the Osage Tribe had similar claims of its own that were waived in the Osage Tribe's Settlement Agreement.
4. The United States is a third party beneficiary to this agreement and may enforce the covenants set forth in Sections 1 and 2 against Daniel T. Reineke, P.E.

Daniel T. Reineke, P.E.


John D. Red Eagle
Principal Chief
Osage Nation

AGREEMENT

This AGREEMENT, dated as of October 5, 2011, is entered into between Joseph D. Harry and the Osage Tribe (meaning the Osage Tribe of Indians of Oklahoma, the tribal government established by the 1906 Act and now federally recognized as the Osage Nation, and its predecessors and successors in interest) (collectively, the "Parties").

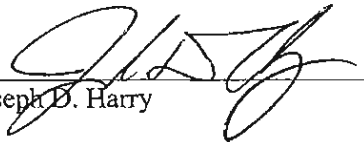
RECITALS.

- a. WHEREAS the Osage Tribe initiated proceedings in the U.S. Court of Federal Claims ("CFC") to seek money damages from the United States for alleged breaches and failures on the part of the United States in the collection of revenues due to the Osage Tribal Trust Account, and the United States' subsequent management and disbursement of such revenues, among other claims ("CFC Action");
- b. WHEREAS the Osage Tribe engaged Mr. Harry to provide consulting services in the CFC Action;
- c. WHEREAS the Osage Tribe and the United States have negotiated a proposed settlement agreement that would settle the claims in the CFC case ("Settlement Agreement");
- d. WHEREAS the Osage Tribe and the United States have agreed that no other party has standing to raise such claims;
- e. WHEREAS the Settlement Agreement includes a provision that the Osage Tribe, its officers or employees, including the Osage Minerals Council, shall not aid, assist, or support in any way any individual or party in the development, initiation, or litigation of a claim against the United States that the Osage Tribe otherwise waives in the Settlement Agreement, including in the form of sharing evidence, documents, materials, or other information the Osage Tribe, their counsel, consultants, experts, or contractors possess relating to the claims in the CFC Action; and

f. WHEREAS the Settlement Agreement requires the Osage Tribe to represent that it has obtained contractual commitments from its experts and consultants in the CFC Action that these experts and consultants will not advise, assist, or support in any way any individual or party in the development, initiation, or litigation of a claim against the United States that the Osage Tribe otherwise waives in the Settlement Agreement,

NOW THEREFORE, the Parties agree:

1. Joseph D. Harry will not advise, assist, or support in any way any individual or party in the development, initiation, or litigation of a claim against the United States that the Osage Tribe waives on behalf of itself and the Headright Holders in the Settlement Agreement.
2. Joseph D. Harry shall comply with any applicable confidentiality and/or protective orders issued in the CFC Action.
3. Subject to the restrictions above, nothing in this agreement limits or prevents Joseph D. Harry from assisting any other tribe in any way desired by that tribe in bringing and prosecuting any claims that such tribe or tribes may have against the United States regardless of whether the Osage Tribe had similar claims of its own that were waived in the Osage Tribe's Settlement Agreement.
4. The United States is a third party beneficiary to this agreement and may enforce the covenants set forth in Sections 1 and 2 against Joseph D. Harry.



Joseph D. Harry

John D. Red Eagle
Principal Chief
Osage Nation

AGREEMENT

This AGREEMENT, dated as of October 5, 2011, is entered into between Joseph D. Harry and the Osage Tribe (meaning the Osage Tribe of Indians of Oklahoma, the tribal government established by the 1906 Act and now federally recognized as the Osage Nation, and its predecessors and successors in interest) (collectively, the "Parties").

RECITALS.


- a. WHEREAS the Osage Tribe initiated proceedings in the U.S. Court of Federal Claims ("CFC") to seek money damages from the United States for alleged breaches and failures on the part of the United States in the collection of revenues due to the Osage Tribal Trust Account, and the United States' subsequent management and disbursement of such revenues, among other claims ("CFC Action");
- b. WHEREAS the Osage Tribe engaged Mr. Harry to provide consulting services in the CFC Action;
- c. WHEREAS the Osage Tribe and the United States have negotiated a proposed settlement agreement that would settle the claims in the CFC case ("Settlement Agreement");
- d. WHEREAS the Osage Tribe and the United States have agreed that no other party has standing to raise such claims;
- e. WHEREAS the Settlement Agreement includes a provision that the Osage Tribe, its officers or employees, including the Osage Minerals Council, shall not aid, assist, or support in any way any individual or party in the development, initiation, or litigation of a claim against the United States that the Osage Tribe otherwise waives in the Settlement Agreement, including in the form of sharing evidence, documents, materials, or other information the Osage Tribe, their counsel, consultants, experts, or contractors possess relating to the claims in the CFC Action; and

f. WHEREAS the Settlement Agreement requires the Osage Tribe to represent that it has obtained contractual commitments from its experts and consultants in the CFC Action that these experts and consultants will not advise, assist, or support in any way any individual or party in the development, initiation, or litigation of a claim against the United States that the Osage Tribe otherwise waives in the Settlement Agreement,

NOW THEREFORE, the Parties agree:

1. Joseph D. Harry will not advise, assist, or support in any way any individual or party in the development, initiation, or litigation of a claim against the United States that the Osage Tribe waives on behalf of itself and the Headright Holders in the Settlement Agreement.
2. Joseph D. Harry shall comply with any applicable confidentiality and/or protective orders issued in the CFC Action.
3. Subject to the restrictions above, nothing in this agreement limits or prevents Joseph D. Harry from assisting any other tribe in any way desired by that tribe in bringing and prosecuting any claims that such tribe or tribes may have against the United States regardless of whether the Osage Tribe had similar claims of its own that were waived in the Osage Tribe's Settlement Agreement.
4. The United States is a third party beneficiary to this agreement and may enforce the covenants set forth in Sections 1 and 2 against Joseph D. Harry.

Joseph D. Harry



John D. Red Eagle
Principal Chief
Osage Nation

AGREEMENT

This AGREEMENT, dated as of October 5, 2011, is entered into between Jim R. Parris, CPA, and the Osage Tribe (meaning the Osage Tribe of Indians of Oklahoma, the tribal government established by the 1906 Act and now federally recognized as the Osage Nation, and its predecessors and successors in interest) (collectively, the "Parties").

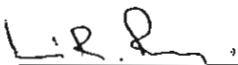
RECITALS.

- a. WHEREAS the Osage Tribe initiated proceedings in the U.S. Court of Federal Claims ("CFC") to seek money damages from the United States for alleged breaches and failures on the part of the United States in the collection of revenues due to the Osage Tribal Trust Account, and the United States' subsequent management and disbursement of such revenues, among other claims ("CFC Action");
- b. WHEREAS the Osage Tribe engaged Jim R. Parris, CPA, to provide expert witness testimony and consulting services in the CFC Action;
- c. WHEREAS the Osage Tribe and the United States have negotiated a proposed settlement agreement that would settle the claims in the CFC case ("Settlement Agreement");
- d. WHEREAS the Osage Tribe and the United States have agreed that no other party has standing to raise such claims;
- e. WHEREAS the Settlement Agreement includes a provision that the Osage Tribe, its officers or employees, including the Osage Minerals Council, shall not aid, assist, or support in any way any individual or party in the development, initiation, or litigation of a claim against the United States that the Osage Tribe otherwise waives in the Settlement Agreement, including in the form of sharing evidence, documents, materials, or other information the Osage Tribe, their counsel, consultants, experts, or contractors possess relating to the claims in the CFC Action; and

f. WHEREAS the Settlement Agreement requires the Osage Tribe to represent that it has obtained contractual commitments from its experts and consultants in the CFC Action that these experts and consultants will not advise, assist, or support in any way any individual or party in the development, initiation, or litigation of a claim against the United States that the Osage Tribe otherwise waives in the Settlement Agreement,

NOW THEREFORE, the Parties agree:

1. Jim R. Parris, CPA, will not advise, assist, or support in any way any individual or party in the development, initiation, or litigation of a claim against the United States that the Osage Tribe waives on behalf of itself and the Headright Holders in the Settlement Agreement.
2. Jim R. Parris, CPA, shall comply with any applicable confidentiality and/or protective orders issued in the CFC Action.
3. Subject to the restrictions above, nothing in this agreement limits or prevents Jim R. Parris, CPA, from assisting any other tribe in any way desired by that tribe in bringing and prosecuting any claims that such tribe or tribes may have against the United States regardless of whether the Osage Tribe had similar claims of its own that were waived in the Osage Tribe's Settlement Agreement.
4. The United States is a third party beneficiary to this agreement and may enforce the covenants set forth in Sections 1 and 2 against Jim R. Parris, CPA.



Jim R. Parris, CPA

John D. Red Eagle
Principal Chief
Osage Nation

AGREEMENT

This AGREEMENT, dated as of October 5, 2011, is entered into between Jim R. Parris, CPA, and the Osage Tribe (meaning the Osage Tribe of Indians of Oklahoma, the tribal government established by the 1906 Act and now federally recognized as the Osage Nation, and its predecessors and successors in interest) (collectively, the "Parties").

RECITALS.

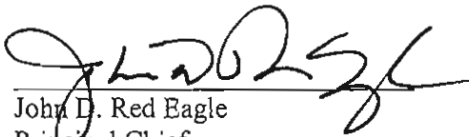
- a. WHEREAS the Osage Tribe initiated proceedings in the U.S. Court of Federal Claims ("CFC") to seek money damages from the United States for alleged breaches and failures on the part of the United States in the collection of revenues due to the Osage Tribal Trust Account, and the United States' subsequent management and disbursement of such revenues, among other claims ("CFC Action");
- b. WHEREAS the Osage Tribe engaged Jim R. Parris, CPA, to provide expert witness testimony and consulting services in the CFC Action;
- c. WHEREAS the Osage Tribe and the United States have negotiated a proposed settlement agreement that would settle the claims in the CFC case ("Settlement Agreement");
- d. WHEREAS the Osage Tribe and the United States have agreed that no other party has standing to raise such claims;
- e. WHEREAS the Settlement Agreement includes a provision that the Osage Tribe, its officers or employees, including the Osage Minerals Council, shall not aid, assist, or support in any way any individual or party in the development, initiation, or litigation of a claim against the United States that the Osage Tribe otherwise waives in the Settlement Agreement, including in the form of sharing evidence, documents, materials, or other information the Osage Tribe, their counsel, consultants, experts, or contractors possess relating to the claims in the CFC Action; and

f. WHEREAS the Settlement Agreement requires the Osage Tribe to represent that it has obtained contractual commitments from its experts and consultants in the CFC Action that these experts and consultants will not advise, assist, or support in any way any individual or party in the development, initiation, or litigation of a claim against the United States that the Osage Tribe otherwise waives in the Settlement Agreement,

NOW THEREFORE, the Parties agree:

1. Jim R. Parris, CPA, will not advise, assist, or support in any way any individual or party in the development, initiation, or litigation of a claim against the United States that the Osage Tribe waives on behalf of itself and the Headright Holders in the Settlement Agreement.
2. Jim R. Parris, CPA, shall comply with any applicable confidentiality and/or protective orders issued in the CFC Action.
3. Subject to the restrictions above, nothing in this agreement limits or prevents Jim R. Parris, CPA, from assisting any other tribe in any way desired by that tribe in bringing and prosecuting any claims that such tribe or tribes may have against the United States regardless of whether the Osage Tribe had similar claims of its own that were waived in the Osage Tribe's Settlement Agreement.
4. The United States is a third party beneficiary to this agreement and may enforce the covenants set forth in Sections 1 and 2 against Jim R. Parris, CPA.

Jim R. Parris, CPA



John D. Red Eagle
Principal Chief
Osage Nation

AGREEMENT

This AGREEMENT, dated as of October 5, 2011, is entered into between Stephen A. Jay, CPA/ABV, and the Osage Tribe (meaning the Osage Tribe of Indians of Oklahoma, the tribal government established by the 1906 Act and now federally recognized as the Osage Nation, and its predecessors and successors in interest) (collectively, the "Parties").

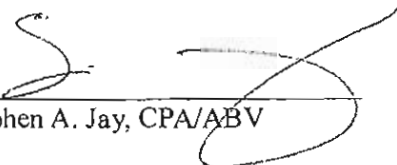
RECITALS.

- a. WHEREAS the Osage Tribe initiated proceedings in the U.S. Court of Federal Claims ("CFC") to seek money damages from the United States for alleged breaches and failures on the part of the United States in the collection of revenues due to the Osage Tribal Trust Account, and the United States' subsequent management and disbursement of such revenues, among other claims ("CFC Action");
- b. WHEREAS the Osage Tribe engaged Mr. Jay to provide expert witness testimony in the CFC Action, and he provided such testimony;
- c. WHEREAS the Osage Tribe and the United States have negotiated a proposed settlement agreement that would settle the claims in the CFC case ("Settlement Agreement");
- d. WHEREAS the Osage Tribe and the United States have agreed that no other party has standing to raise such claims;
- e. WHEREAS the Settlement Agreement includes a provision that the Osage Tribe, its officers or employees, including the Osage Minerals Council, shall not aid, assist, or support in any way any individual or party in the development, initiation, or litigation of a claim against the United States that the Osage Tribe otherwise waives in the Settlement Agreement, including in the form of sharing evidence, documents, materials, or other information the Osage Tribe, their counsel, consultants, experts, or contractors possess relating to the claims in the CFC Action; and

f. WHEREAS the Settlement Agreement requires the Osage Tribe to represent that it has obtained contractual commitments from its experts and consultants in the CFC Action that these experts and consultants will not advise, assist, or support in any way any individual or party in the development, initiation, or litigation of a claim against the United States that the Osage Tribe otherwise waives in the Settlement Agreement,

NOW THEREFORE, the Parties agree:

1. Stephen A. Jay, CPA/ABV, will not advise, assist, or support in any way any individual or party in the development, initiation, or litigation of a claim against the United States that the Osage Tribe waives on behalf of itself and the Headright Holders in the Settlement Agreement.
2. Stephen A. Jay, CPA/ABV, shall comply with any applicable confidentiality and/or protective orders issued in the CFC Action.
3. Subject to the restrictions above, nothing in this agreement limits or prevents Stephen A. Jay, CPA/ABV, from assisting any other tribe in any way desired by that tribe in bringing and prosecuting any claims that such tribe or tribes may have against the United States regardless of whether the Osage Tribe had similar claims of its own that were waived in the Osage Tribe's Settlement Agreement.
4. The United States is a third party beneficiary to this agreement and may enforce the covenants set forth in Sections 1 and 2 against Stephen A. Jay, CPA/ABV.



Stephen A. Jay, CPA/ABV

John D. Red Eagle
Principal Chief
Osage Nation

AGREEMENT

This AGREEMENT, dated as of October 5, 2011, is entered into between Stephen A. Jay, CPA/ABV, and the Osage Tribe (meaning the Osage Tribe of Indians of Oklahoma, the tribal government established by the 1906 Act and now federally recognized as the Osage Nation, and its predecessors and successors in interest) (collectively, the "Parties").

RECITALS.

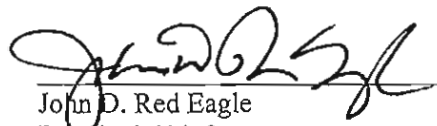
- a. WHEREAS the Osage Tribe initiated proceedings in the U.S. Court of Federal Claims ("CFC") to seek money damages from the United States for alleged breaches and failures on the part of the United States in the collection of revenues due to the Osage Tribal Trust Account, and the United States' subsequent management and disbursement of such revenues, among other claims ("CFC Action");
- b. WHEREAS the Osage Tribe engaged Mr. Jay to provide expert witness testimony in the CFC Action, and he provided such testimony;
- c. WHEREAS the Osage Tribe and the United States have negotiated a proposed settlement agreement that would settle the claims in the CFC case ("Settlement Agreement");
- d. WHEREAS the Osage Tribe and the United States have agreed that no other party has standing to raise such claims;
- e. WHEREAS the Settlement Agreement includes a provision that the Osage Tribe, its officers or employees, including the Osage Minerals Council, shall not aid, assist, or support in any way any individual or party in the development, initiation, or litigation of a claim against the United States that the Osage Tribe otherwise waives in the Settlement Agreement, including in the form of sharing evidence, documents, materials, or other information the Osage Tribe, their counsel, consultants, experts, or contractors possess relating to the claims in the CFC Action; and

f. WHEREAS the Settlement Agreement requires the Osage Tribe to represent that it has obtained contractual commitments from its experts and consultants in the CFC Action that these experts and consultants will not advise, assist, or support in any way any individual or party in the development, initiation, or litigation of a claim against the United States that the Osage Tribe otherwise waives in the Settlement Agreement,

NOW THEREFORE, the Parties agree:

1. Stephen A. Jay, CPA/ABV, will not advise, assist, or support in any way any individual or party in the development, initiation, or litigation of a claim against the United States that the Osage Tribe waives on behalf of itself and the Headright Holders in the Settlement Agreement.
2. Stephen A. Jay, CPA/ABV, shall comply with any applicable confidentiality and/or protective orders issued in the CFC Action.
3. Subject to the restrictions above, nothing in this agreement limits or prevents Stephen A. Jay, CPA/ABV, from assisting any other tribe in any way desired by that tribe in bringing and prosecuting any claims that such tribe or tribes may have against the United States regardless of whether the Osage Tribe had similar claims of its own that were waived in the Osage Tribe's Settlement Agreement.
4. The United States is a third party beneficiary to this agreement and may enforce the covenants set forth in Sections 1 and 2 against Stephen A. Jay, CPA/ABV.

Stephen A. Jay, CPA/ABV



John D. Red Eagle
Principal Chief
Osage Nation

AGREEMENT

This AGREEMENT, dated as of October 5, 2011, is entered into between Bruce M. Kramer and the Osage Tribe (meaning the Osage Tribe of Indians of Oklahoma, the tribal government established by the 1906 Act and now federally recognized as the Osage Nation, and its predecessors and successors in interest) (collectively, the "Parties").

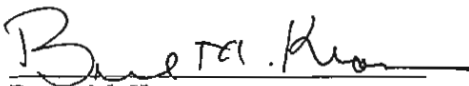
RECITALS.

- a. WHEREAS the Osage Tribe initiated proceedings in the U.S. Court of Federal Claims ("CFC") to seek money damages from the United States for alleged breaches and failures on the part of the United States in the collection of revenues due to the Osage Tribal Trust Account, and the United States' subsequent management and disbursement of such revenues, among other claims ("CFC Action");
- b. WHEREAS the Osage Tribe engaged Mr. Kramer to provide expert witness testimony in the CFC Action;
- c. WHEREAS the Osage Tribe and the United States have negotiated a proposed settlement agreement that would settle the claims in the CFC case ("Settlement Agreement");
- d. WHEREAS the Osage Tribe and the United States have agreed that no other party has standing to raise such claims;
- e. WHEREAS the Settlement Agreement includes a provision that the Osage Tribe, its officers or employees, including the Osage Minerals Council, shall not aid, assist, or support in any way any individual or party in the development, initiation, or litigation of a claim against the United States that the Osage Tribe otherwise waives in the Settlement Agreement, including in the form of sharing evidence, documents, materials, or other information the Osage Tribe, their counsel, consultants, experts, or contractors possess relating to the claims in the CFC Action; and

f. WHEREAS the Settlement Agreement requires the Osage Tribe to represent that it has obtained contractual commitments from its experts and consultants in the CFC Action that these experts and consultants will not advise, assist, or support in any way any individual or party in the development, initiation, or litigation of a claim against the United States that the Osage Tribe otherwise waives in the Settlement Agreement,

NOW THEREFORE, the Parties agree that

1. Bruce M. Kramer will not advise, assist, or support in any way any individual or party in the development, initiation, or litigation of a claim against the United States that the Osage Tribe waives on behalf of itself and the Headright Holders in the Settlement Agreement.
2. Bruce M. Kramer shall comply with any applicable confidentiality and/or protective orders issued in the CFC Action.
3. Subject to the restrictions above, nothing in this agreement limits or prevents Bruce M. Kramer from assisting any other tribe in any way desired by that tribe in bringing and prosecuting any claims that such tribe or tribes may have against the United States regardless of whether the Osage Tribe had similar claims of its own that were waived in the Osage Tribe's Settlement Agreement.
4. The United States is a third party beneficiary to this agreement and may enforce the covenants set forth in Sections 1 and 2 against Bruce M. Kramer.


Bruce M. Kramer

John D. Red Eagle
Principal Chief
Osage Nation

AGREEMENT

This AGREEMENT, dated as of October 5, 2011, is entered into between Bruce M. Kramer and the Osage Tribe (meaning the Osage Tribe of Indians of Oklahoma, the tribal government established by the 1906 Act and now federally recognized as the Osage Nation, and its predecessors and successors in interest) (collectively, the "Parties").

RECITALS.

- a. WHEREAS the Osage Tribe initiated proceedings in the U.S. Court of Federal Claims ("CFC") to seek money damages from the United States for alleged breaches and failures on the part of the United States in the collection of revenues due to the Osage Tribal Trust Account, and the United States' subsequent management and disbursement of such revenues, among other claims ("CFC Action");
- b. WHEREAS the Osage Tribe engaged Mr. Kramer to provide expert witness testimony in the CFC Action;
- c. WHEREAS the Osage Tribe and the United States have negotiated a proposed settlement agreement that would settle the claims in the CFC case ("Settlement Agreement");
- d. WHEREAS the Osage Tribe and the United States have agreed that no other party has standing to raise such claims;
- e. WHEREAS the Settlement Agreement includes a provision that the Osage Tribe, its officers or employees, including the Osage Minerals Council, shall not aid, assist, or support in any way any individual or party in the development, initiation, or litigation of a claim against the United States that the Osage Tribe otherwise waives in the Settlement Agreement, including in the form of sharing evidence, documents, materials, or other information the Osage Tribe, their counsel, consultants, experts, or contractors possess relating to the claims in the CFC Action; and

f. WHEREAS the Settlement Agreement requires the Osage Tribe to represent that it has obtained contractual commitments from its experts and consultants in the CFC Action that these experts and consultants will not advise, assist, or support in any way any individual or party in the development, initiation, or litigation of a claim against the United States that the Osage Tribe otherwise waives in the Settlement Agreement,

NOW THEREFORE, the Parties agree that

1. Bruce M. Kramer will not advise, assist, or support in any way any individual or party in the development, initiation, or litigation of a claim against the United States that the Osage Tribe waives on behalf of itself and the Headright Holders in the Settlement Agreement.
2. Bruce M. Kramer shall comply with any applicable confidentiality and/or protective orders issued in the CFC Action.
3. Subject to the restrictions above, nothing in this agreement limits or prevents Bruce M. Kramer from assisting any other tribe in any way desired by that tribe in bringing and prosecuting any claims that such tribe or tribes may have against the United States regardless of whether the Osage Tribe had similar claims of its own that were waived in the Osage Tribe's Settlement Agreement.
4. The United States is a third party beneficiary to this agreement and may enforce the covenants set forth in Sections 1 and 2 against Bruce M. Kramer.

Bruce M. Kramer



John D. Red Eagle
Principal Chief
Osage Nation

AGREEMENT

This AGREEMENT, dated as of October 5, 2011, is entered into between Christopher M. James and the Osage Tribe (meaning the Osage Tribe of Indians of Oklahoma, the tribal government established by the 1906 Act and now federally recognized as the Osage Nation, and its predecessors and successors in interest) (collectively, the "Parties").

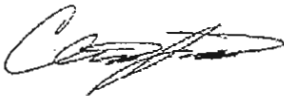
RECITALS.

- a. WHEREAS the Osage Tribe initiated proceedings in the U.S. Court of Federal Claims ("CFC") to seek money damages from the United States for alleged breaches and failures on the part of the United States in the collection of revenues due to the Osage Tribal Trust Account, and the United States' subsequent management and disbursement of such revenues, among other claims ("CFC Action");
- b. WHEREAS the Osage Tribe engaged Christopher M. James to provide expert witness testimony in the CFC Action;
- c. WHEREAS the Osage Tribe and the United States have negotiated a proposed settlement agreement that would settle the claims in the CFC case ("Settlement Agreement");
- d. WHEREAS the Osage Tribe and the United States have agreed that no other party has standing to raise such claims;
- e. WHEREAS the Settlement Agreement includes a provision that the Osage Tribe, its officers or employees, including the Osage Minerals Council, shall not aid, assist, or support in any way any individual or party in the development, initiation, or litigation of a claim against the United States that the Osage Tribe otherwise waives in the Settlement Agreement, including in the form of sharing evidence, documents, materials, or other information the Osage Tribe, their counsel, consultants, experts, or contractors possess relating to the claims in the CFC Action; and

f. WHEREAS the Settlement Agreement requires the Osage Tribe to represent that it has obtained contractual commitments from its experts and consultants in the CFC Action that these experts and consultants will not advise, assist, or support in any way any individual or party in the development, initiation, or litigation of a claim against the United States that the Osage Tribe otherwise waives in the Settlement Agreement,

NOW THEREFORE, the Parties agree:

1. Christopher M. James will not advise, assist, or support in any way any individual or party in the development, initiation, or litigation of a claim against the United States that the Osage Tribe waives on behalf of itself and the Headright Holders in the Settlement Agreement.
2. Christopher M. James shall comply with any applicable confidentiality and/or protective orders issued in the CFC Action.
3. Subject to the restrictions above, nothing in this agreement limits or prevents Christopher M. James from assisting any other tribe in any way desired by that tribe in bringing and prosecuting any claims that such tribe or tribes may have against the United States regardless of whether the Osage Tribe had similar claims of its own that were waived in the Osage Tribe's Settlement Agreement.
4. The United States is a third party beneficiary to this agreement and may enforce the covenants set forth in Sections 1 and 2 against Christopher M. James.



Christopher M. James

John D. Red Eagle
Principal Chief
Osage Nation

AGREEMENT

This AGREEMENT, dated as of October 5, 2011, is entered into between Christopher M. James and the Osage Tribe (meaning the Osage Tribe of Indians of Oklahoma, the tribal government established by the 1906 Act and now federally recognized as the Osage Nation, and its predecessors and successors in interest) (collectively, the “Parties”).

RECITALS.

- a. WHEREAS the Osage Tribe initiated proceedings in the U.S. Court of Federal Claims (“CFC”) to seek money damages from the United States for alleged breaches and failures on the part of the United States in the collection of revenues due to the Osage Tribal Trust Account, and the United States’ subsequent management and disbursement of such revenues, among other claims (“CFC Action”);
- b. WHEREAS the Osage Tribe engaged Christopher M. James to provide expert witness testimony in the CFC Action;
- c. WHEREAS the Osage Tribe and the United States have negotiated a proposed settlement agreement that would settle the claims in the CFC case (“Settlement Agreement”);
- d. WHEREAS the Osage Tribe and the United States have agreed that no other party has standing to raise such claims;
- e. WHEREAS the Settlement Agreement includes a provision that the Osage Tribe, its officers or employees, including the Osage Minerals Council, shall not aid, assist, or support in any way any individual or party in the development, initiation, or litigation of a claim against the United States that the Osage Tribe otherwise waives in the Settlement Agreement, including in the form of sharing evidence, documents, materials, or other information the Osage Tribe, their counsel, consultants, experts, or contractors possess relating to the claims in the CFC Action; and

f. WHEREAS the Settlement Agreement requires the Osage Tribe to represent that it has obtained contractual commitments from its experts and consultants in the CFC Action that these experts and consultants will not advise, assist, or support in any way any individual or party in the development, initiation, or litigation of a claim against the United States that the Osage Tribe otherwise waives in the Settlement Agreement,

NOW THEREFORE, the Parties agree:

1. Christopher M. James will not advise, assist, or support in any way any individual or party in the development, initiation, or litigation of a claim against the United States that the Osage Tribe waives on behalf of itself and the Headright Holders in the Settlement Agreement.
2. Christopher M. James shall comply with any applicable confidentiality and/or protective orders issued in the CFC Action.
3. Subject to the restrictions above, nothing in this agreement limits or prevents Christopher M. James from assisting any other tribe in any way desired by that tribe in bringing and prosecuting any claims that such tribe or tribes may have against the United States regardless of whether the Osage Tribe had similar claims of its own that were waived in the Osage Tribe's Settlement Agreement.
4. The United States is a third party beneficiary to this agreement and may enforce the covenants set forth in Sections 1 and 2 against Christopher M. James.

Christopher M. James


John D. Red Eagle
Principal Chief
Osage Nation

AGREEMENT

This AGREEMENT, dated as of October 5, 2011, is entered into between Cornerstone Research and the Osage Tribe (meaning the Osage Tribe of Indians of Oklahoma, the tribal government established by the 1906 Act and now federally recognized as the Osage Nation, and its predecessors and successors in interest) (collectively, the "Parties").

RECITALS.

- a. WHEREAS the Osage Tribe initiated proceedings in the U.S. Court of Federal Claims ("CFC") to seek money damages from the United States for alleged breaches and failures on the part of the United States in the collection of revenues due to the Osage Tribal Trust Account, and the United States' subsequent management and disbursement of such revenues, among other claims ("CFC Action");
- b. WHEREAS the Osage Tribe engaged Cornerstone Research to provide consulting services in the CFC Action;
- c. WHEREAS the Osage Tribe and the United States have negotiated a proposed settlement agreement that would settle the claims in the CFC case ("Settlement Agreement");
- d. WHEREAS the Osage Tribe and the United States have agreed that no other party has standing to raise such claims;
- e. WHEREAS the Settlement Agreement includes a provision that the Osage Tribe, its officers or employees, including the Osage Minerals Council, shall not aid, assist, or support in any way any individual or party in the development, initiation, or litigation of a claim against the United States that the Osage Tribe otherwise waives in the Settlement Agreement, including in the form of sharing evidence, documents, materials, or other information the Osage Tribe, their counsel, consultants, experts, or contractors possess relating to the claims in the CFC Action; and

f. WHEREAS the Settlement Agreement requires the Osage Tribe to represent that it has obtained contractual commitments from its experts and consultants in the CFC Action that these experts and consultants will not advise, assist, or support in any way any individual or party in the development, initiation, or litigation of a claim against the United States that the Osage Tribe otherwise waives in the Settlement Agreement,

NOW THEREFORE, the Parties agree:

1. Cornerstone Research will not advise, assist, or support in any way any individual or party in the development, initiation, or litigation of a claim against the United States that the Osage Tribe waives on behalf of itself and the Headright Holders in the Settlement Agreement.
2. Cornerstone Research shall comply with any applicable confidentiality and/or protective orders issued in the CFC Action.
3. Subject to the restrictions above, nothing in this agreement limits or prevents Cornerstone Research from assisting any other tribe in any way desired by that tribe in bringing and prosecuting any claims that such tribe or tribes may have against the United States regardless of whether the Osage Tribe had similar claims of its own that were waived in the Osage Tribe's Settlement Agreement.
4. The United States is a third party beneficiary to this agreement and may enforce the covenants set forth in Sections 1 and 2 against Cornerstone Research.



Greg Leonard, Vice President
Cornerstone Research

John D. Red Eagle
Principal Chief
Osage Nation

AGREEMENT

This AGREEMENT, dated as of October 5, 2011, is entered into between Cornerstone Research and the Osage Tribe (meaning the Osage Tribe of Indians of Oklahoma, the tribal government established by the 1906 Act and now federally recognized as the Osage Nation, and its predecessors and successors in interest) (collectively, the "Parties").

RECITALS.

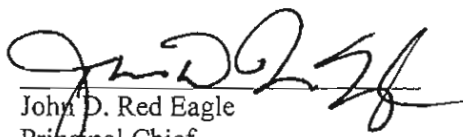
- a. WHEREAS the Osage Tribe initiated proceedings in the U.S. Court of Federal Claims ("CFC") to seek money damages from the United States for alleged breaches and failures on the part of the United States in the collection of revenues due to the Osage Tribal Trust Account, and the United States' subsequent management and disbursement of such revenues, among other claims ("CFC Action");
- b. WHEREAS the Osage Tribe engaged Cornerstone Research to provide consulting services in the CFC Action;
- c. WHEREAS the Osage Tribe and the United States have negotiated a proposed settlement agreement that would settle the claims in the CFC case ("Settlement Agreement");
- d. WHEREAS the Osage Tribe and the United States have agreed that no other party has standing to raise such claims;
- e. WHEREAS the Settlement Agreement includes a provision that the Osage Tribe, its officers or employees, including the Osage Minerals Council, shall not aid, assist, or support in any way any individual or party in the development, initiation, or litigation of a claim against the United States that the Osage Tribe otherwise waives in the Settlement Agreement, including in the form of sharing evidence, documents, materials, or other information the Osage Tribe, their counsel, consultants, experts, or contractors possess relating to the claims in the CFC Action; and

f. WHEREAS the Settlement Agreement requires the Osage Tribe to represent that it has obtained contractual commitments from its experts and consultants in the CFC Action that these experts and consultants will not advise, assist, or support in any way any individual or party in the development, initiation, or litigation of a claim against the United States that the Osage Tribe otherwise waives in the Settlement Agreement,

NOW THEREFORE, the Parties agree:

1. Cornerstone Research will not advise, assist, or support in any way any individual or party in the development, initiation, or litigation of a claim against the United States that the Osage Tribe waives on behalf of itself and the Headright Holders in the Settlement Agreement.
2. Cornerstone Research shall comply with any applicable confidentiality and/or protective orders issued in the CFC Action.
3. Subject to the restrictions above, nothing in this agreement limits or prevents Cornerstone Research from assisting any other tribe in any way desired by that tribe in bringing and prosecuting any claims that such tribe or tribes may have against the United States regardless of whether the Osage Tribe had similar claims of its own that were waived in the Osage Tribe's Settlement Agreement.
4. The United States is a third party beneficiary to this agreement and may enforce the covenants set forth in Sections 1 and 2 against Cornerstone Research.

Greg Leonard, Vice President
Cornerstone Research



John D. Red Eagle
Principal Chief
Osage Nation

EXHIBIT 6

Periodic Statement for Osage Tribal Trust Account

Through September 30, 2011

(exclusive of payment required by Section 5(b))

STATEMENT OF ACCOUNT
FOR THE PERIOD 9/ 1/11 THROUGH 9/30/11

OSAGE TRIBE-PROCEEDS OF OIL & GAS
LEASES ROYALTIES ETC - OSAGE
RESERVATION - 7386

ACCOUNT NUMBER: XXXXX6706

OSAGE TRIBE OF OKLA--OTC (MINERALS)
ATTN: CHIEF FINANCIAL OFFICER
PO BOX 779
PAWUSKA OK 74056

DIRECT ALL INQUIRIES TO: BRIAN ROSS
PHONE: 918.287.5791

ALTHOUGH MARKET VALUE SHOWN HAS BEEN OBTAINED FROM SOURCES WHICH
WE BELIEVE TO BE RELIABLE, WE DO NOT GUARANTEE ITS ACCURACY, AND
IT MAY BE INCOMPLETE OR CONDENSED. THIS IS FOR INFORMATION
PURPOSES ONLY AND IS NOT INTENDED AS AN OFFER OR SOLICITATION
WITH RESPECT TO THE PURCHASE OR SALE OF ANY SECURITY.

ASSET SUMMARY

OSAGE TRIBE - 7386-70-6
ACCOUNT NO. XXXXX6706

AS OF 9/30/11

PAGE 1

ASSET CATEGORY	COST	PERCENT OF ACCOUNT AT MARKET	MARKET VALUE	UNREALIZED GAIN/LOSS (COST TO MKT)	ESTIMATED ANNUAL INCOME	INCOME YIELD AT COST
PRINCIPAL PORTFOLIO						
US TREASURY OVERNIGHTER	15,165,368.40	100.00 %	15,165,368.40	0.00	3,033	0.02 %
TOTAL ASSETS	15,165,368.40	100.00 %	15,165,368.40	0.00	3,033	0.02 %

LIST OF ASSETS

OSAGE TRIBE - 7386-70-6
ACCOUNT NO. XXXXX6706

AS OF 9/30/11

PAGE 2

PAR VALUE OR SHARES	ASSET DESCRIPTION	COST	MARKET VALUE AND % OF ACCOUNT	UNREALIZED GAIN/LOSS (COST TO MKT)	ESTIMATED ANNUAL INCOME	INCOME YIELD AT COST
PRINCIPAL PORTFOLIO						
US TREASURY OVERNIGHTER						
15,165,368.4000	GOVERNMENT OVERNIGHTER 0.01% AVERAGE RATE FOR SEPT 2011 CUSIP: ST0001005	15,165,368.40	15,165,368.40 100.00 %	0.00	3,033	0.02 %
TOTAL ASSETS		15,165,368.40	15,165,368.40	0.00	3,033	0.02 %
			100.00 %			

TRANSACTIONS

OSAGE TRIBE - 7386-70-6
ACCOUNT NO. XXXXX6706

FOR THE PERIOD 09/01/11 THROUGH 09/30/11

PAGE 3

	CASH	COST
BEGINNING BALANCE	0.00	8,197,216.73
09/01/11 CASH RECEIPT	127.69	
OIL & GAS ROYALTY		
CT08G000401 DATED 8/31/2011 CHECK REC: 332684		
PAYEE: LINN ENERGY		
CHECK #0600707396 DATED 8/26/2011		
CONTRACT #: G06-9184-0 SW 10-23-8		
GAS ROYALTY FOR JUNE 2011		
09/01/11 CASH RECEIPT	1,155.23	
OIL & GAS ROYALTY		
CT08G000401 DATED 8/31/2011 CHECK REC: 332723		
PAYEE: CORONADO PETROLEUM CORP		
CHECK #8246 DATED 8/23/2011		
CONTRACT #: G06-16839-0 CALVERT \$722.34		
G06-17786-0 DEBUHR \$432.89		
GAS ROYALTY FOR JULY 2011		
09/01/11 CASH RECEIPT	49,369.81	
OIL & GAS ROYALTY		
CT08T810034 DATED 8/31/2011 CHECK REC: 332738		
PAYEE: CHAPARRAL ENERGY LLC		
PURCHASER #228 LESSEE #0799		
GAS ROYALTY FOR JULY 2011		
EFT MESSAGE #1108310375181		
09/01/11 CASH RECEIPT OF INTEREST EARNED ON	398.17	
GOVERNMENT OVERNIGHTER		
INTEREST FROM 8/1/11 TO 8/31/11		
09/01/11 CASH RECEIPT	300.00	
TRANSFER FROM ANOTHER ACCOUNT		
PAID FROM ACCOUNT # XXXXX0000		
BB10G060005 TFS TO PL7386706		

TRANSACTIONS

OSAGE TRIBE - 7386-70-6
 ACCOUNT NO. XXXXX6706

FOR THE PERIOD 09/01/11 THROUGH 09/30/11

CASH

CASH

COST

09/02/11 CASH RECEIPT 3.27
 CHECK NOT CASHED FOR 12 MONTHS
 PC09T287908 9/1/11
 ID# 09266
 CK# 3151 54611113 DTD 6/1/10
 VS06G00100 \$3.27 LPC

09/07/11 CASH RECEIPT 300.00
 OIL & GAS ROYALTY
 CT09G000404 DTD 09/06/2011 CHECK REC: 333626
 RECEIVED FROM DAVID R COAST
 CK#2548 DTD 9/1/2011
 CONTRACT#G06-9744
 GAS ROYALTY FOR SEPTEMBER 2011

09/07/11 CASH RECEIPT 300.00
 TRANSFER FROM ANOTHER ACCOUNT
 PAID FROM ACCOUNT # XXXXX0000
 BB10G060005 IFS TO PL7386706

09/08/11 CASH RECEIPT 37,599.79
 OIL & GAS ROYALTY
 CT09T510049 DATED 9/1/2011 CHECK REC: 332995
 PAYEE: CEJA CORP
 PURCHASER #10
 GAS ROYALTY FOR JULY 2011
 EFT MESSAGE #1109010232681

09/08/11 CASH RECEIPT 32.71
 OIL & GAS ROYALTY
 CT09G000405 DATED 9/7/2011 CHECK REC: 334228
 PAYEE: CEP MID-CONTINENT LLC
 CHECK #223713 DATED 8/31/2011
 CONTRACT #: TB-0122 LEASE #429
 TBO FOR JUNE 2011

09/08/11 CASH RECEIPT 50.00
 OIL & GAS ROYALTY
 CT09G000405 DATED 9/7/2011 CHECK REC: 334213
 PAYEE: NADEL & GUSSMAN OPER CO, LLC
 CHECK #39982 DATED 8/31/2011
 CONTRACT #: G06-9553-0
 GAS ROYALTY FOR SEPTEMBER 2011

TRANSACTIONS

OSAGE TRIBE - 7386-70-6
ACCOUNT NO. XXXXX6706

FOR THE PERIOD 09/01/11 THROUGH 09/30/11

PAGE 5

CASH _____ COST _____

DATE	DESCRIPTION	CASH	COST
09/08/11	CASH RECEIPT INTEREST	0.02	
	PAID FROM ACCOUNT # XXXXXNPLB BB09TC110534 09/08/11 CT09T510049 09/01/11 332995		
09/08/11	CASH RECEIPT TRANSFER FROM ANOTHER ACCOUNT PAID FROM ACCOUNT # XXXXX0000 BB10G060005 TFS TO PL7386706	16,414.94	
09/09/11	CASH RECEIPT OIL & GAS ROYALTY CT09G000406 DATED 9/8/2011 CHECK REC: 334299 PAYEE: STONEY'S TANK TRUCK SERVICE CHECK #2965 DATED 8/31/2011 CONTRACT #: TB-0102 LEASE #112 TBO FOR AUGUST 2011	88.70	
09/09/11	CASH RECEIPT TRANSFER FROM ANOTHER ACCOUNT PAID FROM ACCOUNT # XXXXX0000 BB10G060005 TFS TO PL7386706	131,840.00	
09/12/11	CASH RECEIPT OIL & GAS ROYALTY CT09TS90036 DATED 9/9/2011 CHECK REC: 334591 PAYEE: NORTHEAST SHELF ENERGY LLC PURCHASER #232 GAS ROYALTY FOR JULY 2011 EFT MESSAGE #1109090069871	273,827.55	
09/12/11	CASH RECEIPT TRANSFER FROM ANOTHER ACCOUNT PAID FROM ACCOUNT # XXXXX0000 BB10G060005 TFS TO PL7386706	30,770.00	
09/13/11	CASH RECEIPT TRANSFER FROM ANOTHER ACCOUNT PAID FROM ACCOUNT # XXXXX0000 BB10G060005 TFS TO PL7386706	18,639.88	

TRANSACTIONS

OSAGE TRIBE - 7386-70-6
ACCOUNT NO. XXXXX6706

FOR THE PERIOD 09/01/11 THROUGH 09/30/11

PAGE 6

CASH _____ COST _____

498.00

09/15/11 CASH RECEIPT
OIL & GAS ROYALTY
CT09G000410 DATED 9/14/2011 CHECK REC: 335409
PAYEE: COLUMBINE OIL COMPANY
CHECK #2268 DATED 9/8/2011
CONTRACT #: G06-11082 SE 28-21-9
GAS ROYALTY FOR JAN & FEB 2010

09/19/11 CASH RECEIPT 2,500.00
TRANSFER FROM ANOTHER ACCOUNT
PAID FROM ACCOUNT # XXXXX0000
B010G060005 IFS TO PL7386706

09/20/11 CASH RECEIPT 1,169,127.86
OIL & GAS ROYALTY
CT09T190001 DTD 09/19/2011 CHECK REC: 335727
RECEIVED FROM CONOCOPHILLIPS
PURCHASER#104
OIL RDYALTY FOR AUGUST 2011
ACH#021001033632331
CASHLINK INFORMATION: DATE WIRED: 9/19/11

09/20/11 CASH RECEIPT 50.67
OIL & GAS ROYALTY
CT09G000413 DATED 9/19/2011 CHECK REC: 336264
PAYEE: OKLAHOMA SILURIAN PARTNERS, L L C
CHECK #0041846 DATED 9/13/2011
CONTRACT #: G06-10701 NW 3-23-11
GAS ROYALTY FOR AUGUST 2011

09/20/11 CASH RECEIPT 100.97
OIL & GAS ROYALTY
CT09G000413 DATED 9/19/2011 CHECK REC: 336320
PAYEE: H 2 O EXPRESS
CHECK #2744 DATED 9/16/2011
CONTRACT #: TB-0123 LEASE #430
TBO FOR JULY 2011

TRANSACTIONS

OSAGE TRIBE - 7386-70-6
ACCOUNT NO. XXXXX6706

FOR THE PERIOD 09/01/11 THROUGH 09/30/11

PAGE 7

CASH

CASH

COST

09/20/11	CASH RECEIPT OIL & GAS ROYALTY CT09G000413 DATED 9/19/2011 CHECK REC: 336197 PAYEE: PERFORMANCE OPERATING COMPANY, LLC CHECK #7504 DATED 9/13/2011 PURCHASER #113 GAS ROYALTY FOR JUNE 2011	3,674.29
09/20/11	CASH RECEIPT TRANSFER FROM ANOTHER ACCOUNT PAID FROM ACCOUNT # XXXXX0000 BB10G060005 TFS TO PL7386706	300.00
09/21/11	CASH RECEIPT OIL & GAS ROYALTY CT09T700037 DATED 9/20/2011 CHECK REC: 336649 PAYEE: NATL COOPERATIVE REFINERY ASSOC. PURCHASER #200 OIL ROYALTY FOR AUGUST 2011 EFT MESSAGE #1109200093661	12,954.14
09/21/11	CASH RECEIPT OIL & GAS ROYALTY CT09T700037 DATED 9/20/2011 CHECK REC: 336650 PAYEE: PACER ENERGY MARKETING LLC PURCHASER #229 OIL ROYALTY FOR AUGUST 2011 EFT MESSAGE #1109200287751	66,685.03
09/21/11	CASH RECEIPT TRANSFER FROM ANOTHER ACCOUNT PAID FROM ACCOUNT # XXXXX0000 BB10G060005 TFS TO PL7386706	2,880.00
09/22/11	CASH RECEIPT TRANSFER FROM ANOTHER ACCOUNT PAID FROM ACCOUNT # XXXXX0000 BB10G060005 TFS TO PL7386706	74,540.00

TRANSACTIONS

OSAGE TRIBE - 7386-70-6
ACCOUNT NO. XXXXX6706

FOR THE PERIOD 09/01/11 THROUGH 09/30/11

CASH

COST

09/23/11 CASH RECEIPT 386.72
OIL & GAS ROYALTY
CT09G000416 DATED 9/22/2011 CHECK REC: 337160
PAYEE: CHARLES PIERCE TRUCKING INC
PART OF CK #11110 DATED 9/20/2011 FOR \$536.72
CONTRACT #: TB-0101 LEASE #23
TBO FOR AUGUST 2011

09/23/11 CASH RECEIPT 600.00
TRANSFER FROM ANOTHER ACCOUNT
PAID FROM ACCOUNT # XXXXXX0000
BB10G060005 TFS TO FL7386706

09/26/11 CASH RECEIPT 101.39
OIL & GAS ROYALTY
CT09G000417 DATED 9/23/2011 CHECK REC: 337527
PAYEE: SHORT OIL COMPANY
CHECK #19456 DATED 9/22/2011
CONTRACT #: TB-0109 LEASE #226
TBO FOR AUGUST 2011

09/26/11 CASH RECEIPT 7,326.42
OIL & GAS ROYALTY
CT09G000417 DATED 9/23/2011 CHECK REC: 337528
PAYEE: PERFORMANCE OPERATING COMPANY, LLC
CHECK #7550 DATED 9/20/2011
PURCHASER #113
GAS ROYALTY FOR MAY 2011 \$3,665.98
GAS ROYALTY FOR JULY 2011 \$3,660.44

09/26/11 CASH RECEIPT 2,091.99
OIL & GAS ROYALTY
CT09T730035 DTD 9/23/2011 CR: 337692
PURCHASER #245
OIL ROYALTY FOR AUGUST 2011
EFT# 1109230137401

09/26/11 CASH RECEIPT 8,677.39
OIL & GAS ROYALTY
CT09T730035 DTD 9/23/2011 CR: 337690
PURCHASER #232
GAS ROYALTY FOR AUGUST 2011
EFT# 1109230183691

TRANSACTIONS

OSAGE TRIBE - 7386-70-6
ACCOUNT NO. XXXXX6706

FOR THE PERIOD 09/01/11 THROUGH 09/30/11

PAGE 9

CASH _____ COST _____

09/26/11 CASH RECEIPT 99,873.92
OIL & GAS ROYALTY
CT09T730035 DTD 9/23/2011 CR: 337694
PURCHASER #241
GAS ROYALTY FOR AUGUST 2011
EFT# 1109230114231

09/26/11 CASH RECEIPT 190,169.86
OIL & GAS ROYALTY
CT09T730035 DTD 9/23/2011 CR: 337696
PURCHASER #240
GAS ROYALTY FOR AUGUST 2011
EFT# 1109230102451

09/26/11 CASH RECEIPT 227,757.03
OIL & GAS ROYALTY
CT09T730035 DTD 9/23/2011 CR: 337693
PURCHASER #205
OIL ROYALTY FOR AUGUST 2011
EFT# 1109230235131

09/26/11 CASH RECEIPT 753,230.15
OIL & GAS ROYALTY
CT09T730035 DTD 9/23/2011 CR: 337691
PURCHASER #002
OIL ROYALTY FOR AUGUST 2011
EFT# 1109230007561

09/26/11 CASH RECEIPT 3,178,234.56
OIL & GAS ROYALTY
CT09T730035 DTD 9/23/2011 CR: 337695
PURCHASER #005
OIL ROYALTY FOR AUGUST 2011
EFT# 1109230172161

09/26/11 CASH RECEIPT 1,500,000.00
OIL & GAS BONUS
CT09G000411 DATED 9/15/2011 CHECK REC: 335491
PAYEE: CHAPARRAL ENERGY LLC
CHECK #197253 DATED 9/14/2011
EXPLORATION & DEVELOPMENT
WILHORSE CONCESSION AGREEMENT

TRANSACTIONS

OSAGE TRIBE - 7386-70-6
ACCOUNT NO. XXXXX6706

FOR THE PERIOD 09/01/11 THROUGH 09/30/11

PAGE 10

CASH

CASH

COST

0.42

1,812.30

11,728.94

57,487.52

66,609.57

28.30

0.42

1,812.30

11,728.94

57,487.52

66,609.57

28.30

0.42

1,812.30

11,728.94

57,487.52

66,609.57

28.30

0.42

1,812.30

11,728.94

57,487.52

66,609.57

28.30

0.42

1,812.30

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TRANSACTIONS

OSAGE TRIBE - 7386-70-6
ACCOUNT NO. XXXX6706

FOR THE PERIOD 09/01/11 THROUGH 09/30/11

PAGE 11

CASH COST

09/27/11	CASH RECEIPT OIL & GAS ROYALTY CT09G000418 DATED 9/26/2011 CHECK REC: 338225 PAYEE: PUPS OIL LLC CHECK #7223 DATED 9/22/2011 CONTRACT #: G06-16964 G06-16965 G06-16966 G06-16967 GAS ROYALTY FOR AUGUST 2011	74.67
09/27/11	CASH RECEIPT OIL & GAS ROYALTY CT09G000418 DATED 9/26/2011 CHECK REC: 338224 PAYEE: SOONER HOT OIL AND WELL SERVICES LLC CHECK #6132 DATED 9/22/2011 CONTRACT #: TB-0119 LEASE #426 TBO FOR AUGUST 2011	218.92
09/27/11	CASH RECEIPT TRANSFER FROM ANOTHER ACCOUNT PAID FROM ACCOUNT # XXXXX0000 BB10G060005 TFS TO PL7386706	21,980.25
09/28/11	CASH RECEIPT OIL & GAS ROYALTY CT09G000419 DATED 9/27/2011 CHECK REC: 338822 PAYEE: CORONADO PETROLEUM CORP CHECK #8269 DATED 9/23/2011 CONTRACT #: G06-16839-0 CALVERT \$629.27 G06-17786-0 DEBUHR \$371.51 GAS ROYALTY FOR AUGUST 2011	1,000.78
09/28/11	CASH DISBURSEMENT PAID TO JP MORGAN CHASE BANK NEW YORK NY SAME DAY EFT VS09T02065 9/28/11 PV09G06034 DTD 9/7/11 GROSS PRODUCTION TAX QTR ENDING JUNE 2011; OIL: \$939,439.34; GAS: \$118,783.50	1,058,222.84-

TRANSACTIONS

OSAGE TRIBE - 7386-70-6
ACCOUNT NO. XXXXX6706

FOR THE PERIOD 09/01/11 THROUGH 09/30/11

PAGE 12

	CASH	COST
09/28/11	1,740.00	
CASH RECEIPT		
TRANSFER FROM ANOTHER ACCOUNT		
PAID FROM ACCOUNT # XXXXX0000		
BB10G060005 TFS TO PL7386706		
09/29/11	96.62	
CASH RECEIPT		
OIL & GAS ROYALTY		
CT09G000420 DATED 9/28/2011 CHECK REC: 338981		
PAYEE: PERFORMANCE PETROLEUM CO INC		
CHECK #16264 DATED 9/26/2011		
PURCHASER #005 PURCHASER 1207		
OIL ROYALTY FOR OCTOBER 2006 (AS AMENDED)		
09/29/11	318.07	
CASH RECEIPT		
OIL & GAS ROYALTY		
CT09G000420 DATED 9/28/2011 CHECK REC: 338980		
PAYEE: PERFORMANCE PETROLEUM CO INC		
CHECK #16265 DATED 9/26/2011		
PURCHASER #005 PURCHASER 1207		
OIL ROYALTY FOR SEPTEMBER 2008 (AS AMENDED)		
09/30/11	300.00	
CASH RECEIPT		
TRANSFER FROM ANOTHER ACCOUNT		
PAID FROM ACCOUNT # XXXXX0000		
BB10G060005 TFS TO PL7386706		
GOVERNMENT OVERNIGHTER		
DAILY PURCHASES AND SALES OF THE OVERNIGHTER		
ARE SUMMARIZED FOR PURPOSES OF THIS REPORT.		
PURCHASES (2) 09/01/11 THROUGH 09/30/11		
SALES (1) 09/01/11 THROUGH 09/30/11		
	8,025,373.73-	8,025,373.73
	1,057,222.06	1,057,222.06-
TOTAL GOVERNMENT OVERNIGHTER	6,968,151.67-	6,968,151.67
ENDING BALANCES	0.00	15,165,368.40

TRANSACTIONS

OSAGE TRIBE - 7386-70-6
ACCOUNT NO. XXXXX6706

FOR THE PERIOD 09/01/11 THROUGH 09/30/11

PAGE 13

	<u>CASH</u>	<u>COST</u>
<u>SUMMARY OF ACTIVITY FOR PERIOD</u>		
TOTAL CASH RECEIPTS	8,026,374.51	0.00
TOTAL DISBURSEMENTS	1,058,222.84-	0.00
TOTAL SECURITIES TRANSACTIONS	0.00	0.00
TOTAL ADJUSTMENTS	0.00	0.00
TOTAL MISCELLANEOUS	0.00	0.00

EXHIBIT 7

Periodic Statements for Certain Other Osage Accounts

Through September 30, 2011

**(Account nos. JA9271121, PL7385708, PL7387704, PL7549701, PL 7469700, 930T000000,
930S090248, and 930S090718)**

STATEMENT OF ACCOUNT
FOR THE PERIOD 7/ 1/11 THROUGH 9/30/11

AWARD OF INDIAN CLAIMS COMMISSION
OSAGE NATION DOCKETS 105 & 106 & 107
& 108 - 9271

ACCOUNT NUMBER: XXXXX1121

OSAGE TRIBE OF OKLA-OTC (MINERALS)
ATTN: CHIEF FINANCIAL OFFICER
PO BOX 779
PAWUSKA OK 74056

DIRECT ALL INQUIRIES TO: BRIAN ROSS
PHONE: 918.287.5791

ALTHOUGH MARKET VALUE SHOWN HAS BEEN OBTAINED FROM SOURCES WHICH
WE BELIEVE TO BE RELIABLE, WE DO NOT GUARANTEE ITS ACCURACY, AND
IT MAY BE INCOMPLETE OR CONDENSED. THIS IS FOR INFORMATION
PURPOSES ONLY AND IS NOT INTENDED AS AN OFFER OR SOLICITATION
WITH RESPECT TO THE PURCHASE OR SALE OF ANY SECURITY.

ASSET SUMMARY

OSAGE TRIBE - 9271-12-1
ACCOUNT NO. XXXXX1121

AS OF 9/30/11

PAGE 1

ASSET CATEGORY	COST	PERCENT OF ACCOUNT AT MARKET	MARKET VALUE	UNREALIZED GAIN/LOSS (COST TO MKT)	ESTIMATED ANNUAL INCOME	INCOME YIELD AT COST
PRINCIPAL PORTFOLIO						
US TREASURY OVERNIGHTER	54,461.61	4.21 %	54,461.61	0.00	11	0.02 %
US GOVT SPONS ENTITY ISSUES	903,970.00	71.92 %	930,133.05	26,163.05	41,190	4.56 %
MORTGAGE BACKED SECURITIES	106,477.21	8.83 %	114,180.93	7,703.72	5,337	5.01 %
PRINCIPAL PORTFOLIO TOTAL	1,064,908.82	84.96 %	1,098,775.59	33,866.77	46,538	4.37 %
INVESTED INCOME PORTFOLIO						
US TREASURY OVERNIGHTER	176,362.05	13.64 %	176,362.05	0.00	35	0.02 %
MORTGAGE BACKED SECURITIES	16,977.78	1.40 %	18,151.75	1,173.97	853	5.03 %
INVESTED INCOME PORTFOLIO TOTAL	193,339.83	15.04 %	194,513.80	1,173.97	888	0.46 %
TOTAL INCOME CASH AND INVESTED INCOME PORTFOLIO	193,339.83	15.04 %	194,513.80	1,173.97	888	0.46 %
TOTAL ASSETS	1,258,248.65	100.00 %	1,293,289.39	35,040.74	47,427	3.77 %

LIST OF ASSETS

OSAGE TRIBE - 9271-12-1
ACCOUNT NO. XXXXX1121

AS OF 9/30/11

PAGE 2

PAR VALUE OR SHARES	ASSET DESCRIPTION	COST	MARKET VALUE AND % OF ACCOUNT	UNREALIZED GAIN/LOSS (COST TO MKT)	ESTIMATED ANNUAL INCOME	INCOME YIELD AT COST
PRINCIPAL PORTFOLIO						
US TREASURY OVERNIGHTER						
54,461.6100	GOVERNMENT OVERNIGHTER 0.01% AVERAGE RATE FOR SEPT 2011 CUSIP: ST0001005	54,461.61	54,461.61 4.21%	0.00	11	0.02%
US GOVT SPONS ENTITY ISSUES						
100,000.0000	3.350% FNMA STEP-UP DUE 9/29/26 CALLABLE SEMI-ANNUALLY 3/29/12 UNTIL 9/29/21 STEPS TO 4.25% 5YR BULLET CUSIP: 3136FTAT6	100,000.00	100,037.00 7.74%	37.00	3,350	3.35%
180,000.0000	3.450% FNMA STEP-UP DUE 9/16/25 CALLABLE SEMI-ANNUALLY 9/16/11 UNTIL 9/16/20 STEPS TO A 4.50% 5YR BULLET CUSIP: 3136FFGN1	179,820.00	179,668.80 13.89%	151.20-	6,210	3.45%
100,000.0000	3.550% FNMA STEP-UP DUE 11/17/25 CALLABLE SEMI-ANNUALLY 11/17/11, TIL 11/17/20 STEPS TO A 4.50% 5YR BULLET CUSIP: 3136FPVM6	100,000.00	100,292.00 7.75%	292.00	3,550	3.55%
125,000.0000	4.520% FNMA DUE 5/18/26 CALLABLE SEMI-ANNUALLY 11/18/11 CUSIP: 3136FRMH3	125,000.00	125,381.25 9.69%	381.25	5,650	4.52%
100,000.0000	5.400% FHLB DUE 3/17/21 CALLABLE ONE-TIME 3/17/16 CUSIP: 3128X4S36	100,200.00	116,166.00 8.98%	15,966.00	5,400	5.39%
100,000.0000	5.560% FHLB DUE 6/06/17 CALLABLE ONE-TIME 6/06/12 CUSIP: 3133XL5E9	100,000.00	103,343.00 7.99%	3,343.00	5,560	5.56%
100,000.0000	5.670% FFCB DUE 11/17/2021 CALLABLE CONTINUOUSLY 11/17/2011 CUSIP: 31331XDV1	99,100.00	100,585.00 7.78%	1,485.00	5,670	5.72%

LIST OF ASSETS

OSAGE TRIBE -- 9271-12-1
ACCOUNT NO. XXXXX1121

AS OF 9/30/11

PAGE 3

PAR VALUE OR SHARES	ASSET DESCRIPTION	COST	MARKET VALUE AND % OF ACCOUNT	UNREALIZED GAIN/LOSS (COST TO MKT)	ESTIMATED ANNUAL INCOME	INCOME YIELD AT COST
100,000.0000	5.800% FFCB DUE 10/18/2022 CALLABLE CONTINUOUSLY 10/18/2012 CUSIP: 31331YAM2	99,850.00	104,660.00 8.09 %	4,810.00	5,800	5.81 %
TOTAL US GOVT SPONS ENTITY ISSUES		903,970.00	930,133.05 71.92 %	26,163.05	41,190	4.56 %
MORTGAGE BACKED SECURITIES						
106,794.0700	5.000% GNMA CMO 2004-33 PD 6/16/33 CUSJP: 38374GQY1	106,477.21	114,180.93 8.83 %	7,703.72	5,337	5.01 %
PRINCIPAL PORTFOLIO TOTAL		1,064,908.82	1,098,775.59 84.96 %	33,866.77	46,538	4.37 %
INVESTED INCOME PORTFOLIO						
US TREASURY OVERNIGHTER						
176,362.0500	GOVERNMENT OVERNIGHTER 0.01% AVERAGE RATE FOR SEPT 2011 CUSIP: ST0001005	176,362.05	176,362.05 13.64 %	0.00	35	0.02 %
MORTGAGE BACKED SECURITIES						
17,063.1200	5.000% FNMA CMO 2003-38 IC 3/25/23 CUSIP: 31393A2C0	16,977.78	18,151.75 1.40 %	1,173.97	853	5.03 %
INVESTED INCOME PORTFOLIO TOTAL		193,339.83	194,513.80 15.04 %	1,173.97	888	0.46 %
TOTAL INCOME CASH AND INVESTED INCOME PORTFOLIO						
TOTAL ASSETS		1,258,248.65	1,293,289.39 100.00 %	35,040.74	47,427	3.77 %

BOND MATURITY SCHEDULE

OSAGE TRIBE - 9271-12-1
ACCOUNT NO. XXXXX1121

AS OF 9/30/11

PAGE 4

	PAR VALUE	% OF TOTAL PAR VALUE	COST	% OF TOTAL COST
<u>INDIVIDUAL ISSUES</u>				
LESS THAN ONE YEAR	0	0.00 %	0.00	0.00 %
1 TO 3 YEARS	0	0.00 %	0.00	0.00 %
3 TO 5 YEARS	0	0.00 %	0.00	0.00 %
5 TO 7 YEARS	100,000	9.72 %	100,000.00	9.73 %
7 TO 10 YEARS	100,000	9.72 %	100,200.00	9.75 %
10+ YEARS	828,807.19	80.56 %	827,224.99	80.51 %
TOTAL BONDS	1,028,807.19	100.00 %	1,027,424.99	100.00 %

TRANSACTIONS

OSAGE TRIBE - 9271-12-1
ACCOUNT NO. XXXXX1121

FOR THE PERIOD 07/01/11 THROUGH 09/30/11

PAGE 5

DATE	TRANSACTION DESCRIPTION	PRINCIPAL		INCOME		INVESTED INCOME		COST
		CASH		CASH		CASH		
	BEGINNING BALANCES		0.00		0.00		0.00	1,263,629.05
07/01/11	CASH RECEIPT OF INTEREST EARNED ON GOVERNMENT OVERNIGHTER INTEREST FROM 6/1/11 TO 6/30/11				3.15		3.15	
07/01/11	CASH DISBURSEMENT TRANSFER TO INVESTED INCOME				3.15-		3.15-	
07/01/11	CASH RECEIPT TRANSFER FROM INCOME						3.15	
07/18/11	CASH RECEIPT OF INTEREST EARNED ON GNMA CMO 2004-33 PD 5.000% 6/16/33 \$0.00417/PV ON 113,958.36 PV DUE 7/16/11				474.83		474.83	
07/18/11	PAID DOWN 2,674.08 PAR VALUE OF GNMA CMO 2004-33 PD 5.000% 6/16/33 LT CAPITAL GAIN OF \$6.69 ON FEDERAL COST LT CAPITAL GAIN OF \$6.69 ON STATE COST FEDERAL TAX COST \$2,667.39 STATE TAX COST \$2,667.39		2,674.08					
07/18/11	CASH DISBURSEMENT TRANSFER TO INVESTED INCOME				474.83-		474.83-	
07/18/11	CASH RECEIPT TRANSFER FROM INCOME						474.83	
07/21/11	CASH RECEIPT OF INTEREST EARNED ON FHLB CC 7/21/11 4.230% 7/21/25 \$0.02115/\$1 PV ON 100,000 PAR VALUE DUE 7/21/11				2,115.00		2,115.00	
07/21/11	CASH DISBURSEMENT TRANSFER TO INVESTED INCOME				2,115.00-		2,115.00-	

TRANSACTIONS

OSAGE TRIBE - 9271-12-1
ACCOUNT NO. XXXXX1121

FOR THE PERIOD 07/01/11 THROUGH 09/30/11

DATE	TRANSACTION DESCRIPTION	PRINCIPAL		INCOME		INVESTED INCOME		COST
		CASH		CASH		CASH		
07/21/11	CASH RECEIPT TRANSFER FROM INCOME					2,115.00		
07/25/11	CASH RECEIPT OF INTEREST EARNED ON FNMA CMO 2003-38 TC 5.000% 3/25/23 \$0.00417/PV ON 18,716.82 PV DUE 7/25/11			77.99				
07/25/11	PAID DOWN 630.52 PAR VALUE OF FNMA CMO 2003-38 TC 5.000% 3/25/23 LT CAPITAL GAIN OF \$3.15 ON FEDERAL COST LT CAPITAL GAIN OF \$3.15 ON STATE COST FEDERAL TAX COST \$627.37 STATE TAX COST \$627.37					630.52		
07/25/11	CASH DISBURSEMENT TRANSFER TO INVESTED INCOME			77.99-				
07/25/11	CASH RECEIPT TRANSFER FROM INCOME					77.99		
07/28/11	CASH DISBURSEMENT PAID TO AMANDA TABOR 2601 CLASSEN BLVD #C4 NORMAN, OK 73071 EDUCATION EXPENSE VS07T01302 DATED 7/28/2011 FALL 2011 AWARD					73.00-		
07/28/11	CASH DISBURSEMENT PAID TO MALIA BRADSHAW 10706 PICKFAIR DR AUSTIN, TX 78750 EDUCATION EXPENSE VS07T01302 DATED 7/28/2011 FALL 2011 AWARD					162.00-		
07/28/11	CASH DISBURSEMENT PAID TO BARBARA CORE 3901 NO. KICKAPOO #18 SHAWNEE, OK 74804 EDUCATION EXPENSE VS07T01302 DATED 7/28/2011 FALL 2011 AWARD					191.00-		

TRANSACTIONS

OSAGE TRIBE - 9271-12-1
ACCOUNT NO. XXXXX1121

FOR THE PERIOD 07/01/11 THROUGH 09/30/11

PAGE 7

DATE	TRANSACTION DESCRIPTION	PRINCIPAL		INCOME		INVESTED INCOME		COST
		CASH		CASH		CASH		
07/28/11	CASH DISBURSEMENT PAID TO NOETTA HARJO 1100 OAK TREE AVE #0-11 NORMAN, OK 73072 EDUCATION EXPENSE VS07T01302 DATED 7/28/2011 FALL 2011 AWARD						189.00-	
07/28/11	CASH DISBURSEMENT PAID TO JOHN PAUL LONG 2200 LYNN AVE PAMUSKA, OK 74056 EDUCATION EXPENSE VS07T01302 DATED 7/28/2011 FALL 2011 AWARD						150.00-	
07/28/11	CASH DISBURSEMENT PAID TO KELI MASHBURN 300 S 7TH ST FAIRFAX, OK 74637 EDUCATION EXPENSE VS07T01302 DATED 7/28/2011 FALL 2011 AWARD						128.00-	
07/28/11	CASH DISBURSEMENT PAID TO SARAH PRINGLE 3901 N KICKAPOO APT 18 SHAWNEE, OK 74804 EDUCATION EXPENSE VS07T01302 DATED 7/28/2011 FALL 2011 AWARD						137.00-	
07/28/11	CASH DISBURSEMENT PAID TO JEDDIDIAH RUSSELL 414 E LAKECREST DR ANDOVER, KS 67002 EDUCATION EXPENSE VS07T01302 DATED 7/28/2011 FALL 2011 AWARD						145.00-	
07/28/11	CASH DISBURSEMENT PAID TO NATALIE STRABALA 415 BAUXHALL CT KATY, TX 77450 EDUCATION EXPENSE VS07T01302 DATED 7/28/2011 FALL 2011 AWARD						125.00-	

TRANSACTIONS

OSAGE TRIBE - 9271-12-1
ACCOUNT NO. XXXXX1121

FOR THE PERIOD 07/01/11 THROUGH 09/30/11

DATE	TRANSACTION DESCRIPTION	PRINCIPAL		INCOME		INVESTED INCOME		COST
		CASH		CASH		CASH		
07/28/11	CASH DISBURSEMENT PAID TO MICHAEL STREET 6923 INDIANA AVE #204 LUBBOCK, TX 79413 EDUCATION EXPENSE VS07T01302 DATED 7/28/2011 FALL 2011 AWARD						108.00-	
07/28/11	CASH DISBURSEMENT PAID TO CAMERON UNDERWOOD 13822 BARRYKNOLL LANE HOUSTON, TX 77079 EDUCATION EXPENSE VS07T01302 DATED 7/28/2011 FALL 2011 AWARD						139.00-	
08/01/11	CASH RECEIPT OF INTEREST EARNED ON GOVERNMENT OVERNIGHTER INTEREST FROM 7/1/11 TO 7/31/11				0.24			
08/01/11	CASH RECEIPT OF INTEREST EARNED ON GOVERNMENT OVERNIGHTER INTEREST FROM 7/1/11 TO 7/31/11				4.99			
08/01/11	CASH DISBURSEMENT TRANSFER TO INVESTED INCOME							5.23-
08/01/11	CASH RECEIPT TRANSFER FROM INCOME							5.23
08/16/11	CASH RECEIPT OF INTEREST EARNED ON GNMA CMO 2004-33 PD 5.000% 6/16/33 \$0.00417/PV ON 111,284.28 PV DUE 8/16/11							463.68
08/16/11	PAID DOWN 2,150.95 PAR VALUE OF GNMA CMO 2004-33 PD 5.000% 6/16/33 LT CAPITAL GAIN OF \$5.38 ON FEDERAL COST LT CAPITAL GAIN OF \$5.38 ON STATE COST FEDERAL TAX COST \$2,145.57 STATE TAX COST \$2,145.57		2,150.95					

TRANSACTIONS

OSAGE TRIBE - 9271-12-1
ACCOUNT NO. XXXXX1121

FOR THE PERIOD 07/01/11 THROUGH 09/30/11

PAGE 9

DATE	TRANSACTION DESCRIPTION	PRINCIPAL		INCOME		INVESTED INCOME		COST
		CASH		CASH		CASH		
08/16/11	CASH DISBURSEMENT TRANSFER TO INVESTED INCOME		463.68-					
08/16/11	CASH RECEIPT TRANSFER FROM INCOME					463.68		
08/17/11	CASH DISBURSEMENT PAID TO AUSTIN TODD 1216 BACK BAY DR IRVING, TX 75063 EDUCATION EXPENSE VS08T01493 DATED 8/17/2011 FALL 2011 AWARD					160.00-		
08/17/11	CASH DISBURSEMENT PAID TO CAITLIN GOAD 6706 VALLEY RIDGE DR EDMOND, OK 73034 EDUCATION EXPENSE VS08T01493 DATED 8/17/2011 FALL 2011 AWARD					141.00-		
08/17/11	CASH DISBURSEMENT PAID TO CHELSEY HALE 517 TIMBERLANE SKIATOOK, OK 74070 EDUCATION EXPENSE VS08T01493 DATED 8/17/2011 FALL 2011 AWARD					140.00-		
08/17/11	CASH DISBURSEMENT PAID TO MICHAEL MEIER 7437 SW 23RD CT TOPEKA, KS 66614 EDUCATION EXPENSE VS08T01493 DATED 8/17/2011 FALL 2011 AWARD					146.00-		
08/17/11	CASH DISBURSEMENT PAID TO RANDI MONSOUR 308 N 11TH PONCA CITY, OK 74601 EDUCATION EXPENSE VS08T01493 DATED 8/17/2011 FALL 2011 AWARD					102.00-		

TRANSACTIONS

OSAGE TRIBE - 9271-12-1
ACCOUNT NO. XXXXX1121

FOR THE PERIOD 07/01/11 THROUGH 09/30/11

PAGE 11

DATE	TRANSACTION DESCRIPTION	PRINCIPAL		INCOME		INVESTED INCOME		COST
		CASH		CASH		CASH		
08/17/11	CASH DISBURSEMENT PAID TO CAITLIN CLOTE 519 STANTON CT FENTON, MO 63026 EDUCATION EXPENSE VS08T01493 DATED 8/17/2011 FALL 2011 AWARD						140.00-	
08/17/11	CASH DISBURSEMENT PAID TO EMILY CLOTE 513 E JEFFERSON ST LOUIS, MO 63122 EDUCATION EXPENSE VS08T01493 DATED 8/17/2011 FALL 2011 AWARD						136.00-	
08/17/11	CASH DISBURSEMENT PAID TO CARRIE CULKINS 520 TIMBER LN SKIATOOK, OK 74070 EDUCATION EXPENSE VS08T01493 DATED 8/17/2011 FALL 2011 AWARD						127.00-	
08/17/11	CASH DISBURSEMENT PAID TO STEWART CONNER 1110 SUNSET PAWHUSKA, OK 74056 EDUCATION EXPENSE VS08T01493 DATED 8/17/2011 FALL 2011 AWARD						42.00-	
08/17/11	CASH DISBURSEMENT PAID TO RYAN BENNETT 2041 BLANKS RD TIIOGA, TX 76271 EDUCATION EXPENSE VS08T01493 DATED 8/17/2011 FALL 2011 AWARD						77.00-	
08/17/11	CASH DISBURSEMENT PAID TO AMY EASLEY PO BOX 283 PAWHUSKA, OK 74056 EDUCATION EXPENSE VS08T01493 DATED 8/17/2011 FALL 2011 AWARD						80.00-	

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DATE	TRANSACTION DESCRIPTION	PRINCIPAL		INCOME		INVESTED INCOME		COST
		CASH		CASH		CASH		
08/17/11	CASH DISBURSEMENT PAID TO MICHAEL WILSON 1114 W APACHE ST NORMAN, OK 73069 EDUCATION EXPENSE VS08T01493 DATED 8/17/2011 FALL 2011 AWARD						63.00-	
08/17/11	CASH DISBURSEMENT PAID TO SARAH DEAL 8901 EAGLE LANE OKLAHOMA CITY, OK 73132 EDUCATION EXPENSE VS08T01493 DATED 8/17/2011 FALL 2011 AWARD						46.00-	
08/17/11	CASH DISBURSEMENT PAID TO CHRISTOPHER BARBER PO BOX 36 STRONGHURST, IL 61480 EDUCATION EXPENSE VS08T01494 DATED 8/17/2011 FALL 2011 AWARD						111.00-	
08/17/11	CASH DISBURSEMENT PAID TO ADDIE BREZINSKI 1404 #B PARADISE PKWY CLAREMORE, OK 74017 EDUCATION EXPENSE VS08T01494 DATED 8/17/2011 FALL 2011 AWARD						158.00-	
08/17/11	CASH DISBURSEMENT PAID TO YASAMAN HEMMAT 10209 N BROOKLYN AVE KANSAS CITY, MO 64155 EDUCATION EXPENSE VS08T01494 DATED 8/17/2011 FALL 2011 AWARD						156.00-	
08/17/11	CASH DISBURSEMENT PAID TO JESSICA HUTSON 1109 MELODY LANE PAWHUSKA, OK 74056 EDUCATION EXPENSE VS08T01494 DATED 8/17/2011 FALL 2011 AWARD						140.00-	

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DATE	TRANSACTION DESCRIPTION	PRINCIPAL		INCOME		INVESTED INCOME		COST
		CASH		CASH		CASH		
08/17/11	CASH DISBURSEMENT PAID TO THOMAS LOWE 1783 150TH ST EUREKA, KS 67045 EDUCATION EXPENSE VS08T01494 DATED 8/17/2011 FALL 2011 AWARD						146.00-	
08/17/11	CASH DISBURSEMENT PAID TO LAUREN MASS 4190 BROWN ROAD OAKLEY, CA 94561 EDUCATION EXPENSE VS08T01494 DATED 8/17/2011 FALL 2011 AWARD						144.00-	
08/17/11	CASH DISBURSEMENT PAID TO SEAN SEABRIDGE 117 S BLAIR STILLWATER, OK 74074 EDUCATION EXPENSE VS08T01494 DATED 8/17/2011 FALL 2011 AWARD						139.00-	
08/17/11	CASH DISBURSEMENT PAID TO EMMA SMITH 34945 SPRING VALLEY RD PADA, KS 66071 EDUCATION EXPENSE VS08T01494 DATED 8/17/2011 FALL 2011 AWARD						162.00-	
08/17/11	CASH DISBURSEMENT PAID TO RONALD SCOTT PO BOX 100036 ANETH, UT 84510 EDUCATION EXPENSE VS08T01494 DATED 8/17/2011 FALL 2011 AWARD						139.00-	
08/17/11	CASH DISBURSEMENT PAID TO TYLER SMITH 320 E BEECH INDEPENDENCE, KS 67301 EDUCATION EXPENSE VS08T01494 DATED 8/17/2011 FALL 2011 AWARD						155.00-	

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DATE	TRANSACTION DESCRIPTION	PRINCIPAL		INCOME		INVESTED INCOME		COST
		CASH		CASH		CASH		
08/25/11	CASH RECEIPT OF INTEREST EARNED ON FNMA CMO 2003-38 TC 5.000% 3/25/23 \$0.00417/PV ON 18,086.30 PV DUE 8/25/11		75.36					
08/25/11	PAID DOWN 478.93 PAR VALUE OF FNMA CMO 2003-38 TC 5.000% 3/25/23 LT CAPITAL GAIN OF \$2.40 ON FEDERAL COST LT CAPITAL GAIN OF \$2.40 ON STATE COST FEDERAL TAX COST \$476.53 STATE TAX COST \$476.53					478.93		
08/25/11	CASH DISBURSEMENT TRANSFER TO INVESTED INCOME		75.36-					
08/25/11	CASH RECEIPT TRANSFER FROM INCOME					75.36		
08/29/11	SOLD 32,000 PAR VALUE OF FHLB CC 7/21/11 4.230% 7/21/25 PRINCIPAL PAYDOWN		32,000.00					
08/29/11	CASH RECEIPT OF INTEREST EARNED ON FHLB CC 7/21/11 4.230% 7/21/25 \$0.001429/\$1 PV ON 100,000 PAR VALUE DUE 8/29/11				142.88			
08/29/11	CASH DISBURSEMENT TRANSFER TO INVESTED INCOME				142.88-			
08/29/11	CASH RECEIPT TRANSFER FROM INCOME					142.88		
09/01/11	CASH DISBURSEMENT PAID TO JOHN CLOTE 513 E JEFFERSON ST LOUIS, MO 63122 EDUCATION EXPENSE VS09T01627 DATED 9/1/2011 FALL 2011 AWARD						109.00-	

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DATE	TRANSACTION DESCRIPTION	PRINCIPAL		INCOME		INVESTED INCOME		COST
		CASH		CASH		CASH		
09/01/11	CASH DISBURSEMENT PAID TO GREGORY CARPENTER 1227 1/2 ST GARY AVE TULSA, OK 74104					149.00-		
	EDUCATION EXPENSE VS09T01627 DATED 9/1/2011 FALL 2011 AWARD							
09/01/11	CASH DISBURSEMENT PAID TO MATTHEW CARRICO 15 EL VADO DR RANCHO SANTA MARGARITA, CA 92688					154.00-		
	EDUCATION EXPENSE VS09T01627 DATED 9/1/2011 FALL 2011 AWARD							
09/01/11	CASH DISBURSEMENT PAID TO JAMES GROSS 8402 S 34TH W AVE TULSA, OK 74132					161.00-		
	EDUCATION EXPENSE VS09T01627 DATED 9/1/2011 FALL 2011 AWARD							
09/01/11	CASH DISBURSEMENT PAID TO DAKOTA HUNT 1047 WOODGATE RD RINGGOLD, GA 30736					143.00-		
	EDUCATION EXPENSE VS09T01627 DATED 9/1/2011 FALL 2011 AWARD							
09/01/11	CASH DISBURSEMENT PAID TO WILLIAM HAMM II 2412 S ROCKFORD PARKWAY ARDMORE, OK 73401					135.00-		
	EDUCATION EXPENSE VS09T01627 DATED 9/1/2011 FALL 2011 AWARD							
09/01/11	CASH DISBURSEMENT PAID TO WILLIAM HIGHT 735 W 3RD ST SKIATOOK, OK 74070					122.00-		
	EDUCATION EXPENSE VS09T01627 DATED 9/1/2011 FALL 2011 AWARD							

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DATE	TRANSACTION DESCRIPTION	PRINCIPAL		INCOME		INVESTED INCOME		COST
		CASH		CASH		CASH		
09/01/11	CASH DISBURSEMENT PAID TO MALORIE WEBB 105 E POPLAR APT 3 HARRISBURG, IL 62946 EDUCATION EXPENSE VS09T01627 DATED 9/1/2011 FALL 2011 AWARD						70.00-	
09/01/11	CASH DISBURSEMENT PAID TO BRYN WALSH 3624 BECKET LN NAPERVILLE, IL 60564 EDUCATION EXPENSE VS09T01627 DATED 9/1/2011 FALL 2011 AWARD						144.00-	
09/01/11	CASH DISBURSEMENT PAID TO JESSICA WILDER 16904 CLUB HILL DR DALLAS, TX 75248 EDUCATION EXPENSE VS09T01627 DATED 9/1/2011 FALL 2011 AWARD						138.00-	
09/01/11	CASH RECEIPT OF INTEREST EARNED ON GOVERNMENT OVERNIGHTER INTEREST FROM 8/1/11 TO 8/31/11			0.16				
09/01/11	CASH RECEIPT OF INTEREST EARNED ON GOVERNMENT OVERNIGHTER INTEREST FROM 8/1/11 TO 8/31/11			3.27				
09/01/11	CASH DISBURSEMENT TRANSFER TO INVESTED INCOME			3.43-				
09/01/11	CASH RECEIPT TRANSFER FROM INCOME						3.43	
09/06/11	SOLD 68,000 PAR VALUE OF FHLB CC 7/21/11 4.230% 7/21/25 FINAL PRINCIPAL PAYDOWN		68,000.00					
09/06/11	CASH RECEIPT OF INTEREST EARNED ON FHLB CC 7/21/11 4.230% 7/21/25 \$0.005287/\$1 PV ON 68,000 PAR VALUE DUE 9/6/11						359.55	

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DATE	TRANSACTION DESCRIPTION	PRINCIPAL		INCOME		INVESTED INCOME		COST
		CASH		CASH		CASH		
09/06/11	CASH DISBURSEMENT TRANSFER TO INVESTED INCOME		359.55-					
09/06/11	CASH RECEIPT TRANSFER FROM INCOME					359.55		
09/07/11	CASH DISBURSEMENT PAID TO JUSTIN ASHWORTH 1825 N ROBIN WICHITA, KS 67212 EDUCATION EXPENSE VS09T01653 DATED 9/7/2011 FALL 2011 AWARD					174.00-		
09/07/11	CASH DISBURSEMENT PAID TO MICHAEL BRISTOW 2701 S 98TH EAST AVE TULSA, OK 74129 EDUCATION EXPENSE VS09T01653 DATED 9/7/2011 FALL 2011 AWARD					171.00-		
09/07/11	CASH DISBURSEMENT PAID TO HEATHER CASTLEBERRY 6444 W HEFNER RD OKLAHOMA CITY, OK 73162 EDUCATION EXPENSE VS09T01653 DATED 9/7/2011 FALL 2011 AWARD					105.00-		
09/07/11	CASH DISBURSEMENT PAID TO JERRY CARMICHAEL 4616 S WASHINGTON ST MARION, IN 46953 EDUCATION EXPENSE VS09T01653 DATED 9/7/2011 FALL 2011 AWARD					152.00-		
09/07/11	CASH DISBURSEMENT PAID TO ELIZABETH CLOTE 513 E JEFFERSON ST LOUIS, MO 63122 EDUCATION EXPENSE VS09T01653 DATED 9/7/2011 FALL 2011 AWARD					147.00-		

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DATE	TRANSACTION DESCRIPTION	PRINCIPAL		INCOME		INVESTED INCOME		COST
		CASH		CASH		CASH		
09/07/11	CASH DISBURSEMENT PAID TO LAUREN CUNNINGHAM 807 CREEK ST MUSKOGEE, OK 74403 EDUCATION EXPENSE VS09T01653 DATED 9/7/2011 FALL 2011 AWARD						171.00-	
09/07/11	CASH DISBURSEMENT PAID TO CHARIS M DALLIS 3526 S 148TH PL TULSA, OK 74134 EDUCATION EXPENSE VS09T01653 DATED 9/7/2011 FALL 2011 AWARD						73.00-	
09/07/11	CASH DISBURSEMENT PAID TO KAYLA DAVIS PO BOX 724 STILLWATER, OK 74076 EDUCATION EXPENSE VS09T01653 DATED 9/7/2011 FALL 2011 AWARD						147.00-	
09/07/11	CASH DISBURSEMENT PAID TO AMY EVERETT 2309 BELMONT PLACE PLANO, TX 75023 EDUCATION EXPENSE VS09T01653 DATED 9/7/2011 FALL 2011 AWARD						153.00-	
09/07/11	CASH DISBURSEMENT PAID TO KILEY EDMUNDSON 1508 PLANTATION LAKES CIRCLE CHESAPEAKE, VA 23320 EDUCATION EXPENSE VS09T01653 DATED 9/7/2011 FALL 2011 AWARD						155.00-	
09/07/11	CASH DISBURSEMENT PAID TO MARY FLORES 9566 W 163RD ST S SAFULPA, OK 74066 EDUCATION EXPENSE VS09T01653 DATED 9/7/2011 FALL 2011 AWARD						157.00-	

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DATE	TRANSACTION DESCRIPTION	PRINCIPAL		INCOME		INVESTED INCOME		COST
		CASH		CASH		CASH		
09/07/11	CASH DISBURSEMENT PAID TO BLAKE HICKS 1231 HAMPDEN RD BARTLESVILLE, OK 74006 EDUCATION EXPENSE VS09T01653 DATED 9/7/2011 FALL 2011 AWARD						137.00-	
09/07/11	CASH DISBURSEMENT PAID TO AMY JOHNSON RT 3 BOX 68 OKARCHE, OK 73762 EDUCATION EXPENSE VS09T01653 DATED 9/7/2011 FALL 2011 AWARD						153.00-	
09/07/11	CASH DISBURSEMENT PAID TO ERIN MEEKS 430519 E 280 RD VINITA, OK 74301 EDUCATION EXPENSE VS09T01653 DATED 9/7/2011 FALL 2011 AWARD						141.00-	
09/07/11	CASH DISBURSEMENT PAID TO MEGAN PRESCOTT 136 W ORCHARD PARK RD DEXTER, NM 88230 EDUCATION EXPENSE VS09T01653 DATED 9/7/2011 FALL 2011 AWARD						151.00-	
09/07/11	CASH DISBURSEMENT PAID TO VICTORIA SMITH 34945 SPRING VALLEY RD PAOLA, KS 66071 EDUCATION EXPENSE VS09T01653 DATED 9/7/2011 FALL 2011 AWARD						141.00-	
09/07/11	CASH DISBURSEMENT PAID TO JOSRUA SMITH PO BOX 1141 SKIATOOK, OK 74070 EDUCATION EXPENSE VS09T01653 DATED 9/7/2011 FALL 2011 AWARD						140.00-	

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DATE	TRANSACTION DESCRIPTION	PRINCIPAL		INCOME		INVESTED INCOME		COST
		CASH		CASH		CASH		
09/16/11	PAID DOWN 2,389.26 PAR VALUE OF GNMA CMO 2004-33 PD 5.000% 6/16/33 LT CAPITAL GAIN OF \$5.97 ON FEDERAL COST LT CAPITAL GAIN OF \$5.97 ON STATE COST FEDERAL TAX COST \$2,383.29 STATE TAX COST \$2,383.29	2,389.26						
09/16/11	CASH DISBURSEMENT TRANSFER TO INVESTED INCOME		454.72-					
09/16/11	CASH RECEIPT TRANSFER FROM INCOME				454.72			
09/19/11	CASH DISBURSEMENT TRANSFER TO INVESTED INCOME		751.11-					
09/19/11	CASH RECEIPT TRANSFER FROM INCOME				751.11			751.11
09/19/11	CASH RECEIPT OF INTEREST EARNED ON FNMA CC 4/11/11 4.000% 9/30/25 \$0.018778/\$1 PV ON 40,000 PAR VALUE DUE 9/19/11				751.11			
09/19/11	CASH RECEIPT OF INTEREST EARNED ON FHLMC 1XC 3/17/16 5.400% 3/17/21 \$0.027/\$1 PV ON 100,000 PAR VALUE DUE 9/17/11				2,700.00			
09/19/11	FULL CALL 40,000 \$1 PV FNMA CC 4/11/11 4.000% 9/30/25 ON 09/19/11 AT \$1.00 FEDERAL TAX COST \$40,000.00 STATE TAX COST \$40,000.00	40,000.00						
09/19/11	CASH DISBURSEMENT TRANSFER TO INVESTED INCOME				2,700.00-			

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DATE	TRANSACTION DESCRIPTION	PRINCIPAL		INCOME		INVESTED INCOME		COST
		CASH		CASH		CASH		
09/19/11	CASH RECEIPT TRANSFER FROM INCOME					2,700.00		
09/26/11	CASH RECEIPT OF INTEREST EARNED ON FNMA CMO 2003-38 IC 5.000% 3/25/23 \$0.00417/PV ON 17,607.37 PV DUE 9/25/11			73.36				
09/26/11	PAID DOWN 544.25 PAR VALUE OF FNMA CMO 2003-38 IC 5.000% 3/25/23 LT CAPITAL GAIN OF \$2.72 ON FEDERAL COST LT CAPITAL GAIN OF \$2.72 ON STATE COST FEDERAL TAX COST \$541.53 STATE TAX COST \$541.53					544.25		
09/26/11	CASH DISBURSEMENT TRANSFER TO INVESTED INCOME			73.36-				
09/26/11	CASH RECEIPT TRANSFER FROM INCOME					73.36		
09/27/11	CASH DISBURSEMENT PAID TO BURK BRADSHAW 9330 W MAULE AVE #214 LAS VEGAS, NV 89148 EDUCATION EXPENSE VS09T01996 DATED 9/27/2011 FALL 2011 AWARD					150.00-		
09/27/11	CASH DISBURSEMENT PAID TO LARRY CARMICHAEL 2625 CACTUS RD BOX 121 PHOENIX, AZ 85032 EDUCATION EXPENSE VS09T01996 DATED 9/27/2011 FALL 2011 AWARD					140.00-		
09/27/11	CASH DISBURSEMENT PAID TO ANDREW DYDAK 6709 DOGWOOD DR QUINTON, VA 23141 EDUCATION EXPENSE VS09T01996 DATED 9/27/2011 FALL 2011 AWARD					155.00-		

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		CASH		CASH		CASH		
09/27/11	CASH DISBURSEMENT PAID TO CHELSEA HICKS 1914 LEWIS MTN RD APT D CHARLOTTESVILLE, VA 22903 EDUCATION EXPENSE VS09T01996 DATED 9/27/2011 FALL 2011 AWARD						161.00-	
09/27/11	CASH DISBURSEMENT PAID TO ANNA KELLEY 348501 E 4400 RD PAWNEE, OK 74058 EDUCATION EXPENSE VS09T01996 DATED 9/27/2011 FALL 2011 AWARD						59.00-	
09/27/11	CASH DISBURSEMENT PAID TO MARY KEY 2720 W GARDNER AVE SPOKANE, WA 99201 EDUCATION EXPENSE VS09T01996 DATED 9/27/2011 FALL 2011 AWARD						144.00-	
09/27/11	CASH DISBURSEMENT PAID TO CARLY O'BRIEN 10823 E 115TH ST S BIXBY, OK 74008 EDUCATION EXPENSE VS09T01996 DATED 9/27/2011 FALL 2011 AWARD						152.00-	
09/27/11	CASH DISBURSEMENT PAID TO VERONICA PAGE 1711 S DETROIT AVE TULSA, OK 74120 EDUCATION EXPENSE VS09T01996 DATED 9/27/2011 FALL 2011 AWARD						162.00-	
09/27/11	CASH DISBURSEMENT PAID TO DEVIN SOBOTKA 201 SOUTH KING ST KNAPP, WI 54749 EDUCATION EXPENSE VS09T01996 DATED 9/27/2011 FALL 2011 AWARD						147.00-	

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DATE	TRANSACTION DESCRIPTION	PRINCIPAL		INCOME		INVESTED INCOME		COST
		CASH		CASH		CASH		
09/27/11	CASH DISBURSEMENT PAID TO ALEC STALLBAUMER 1470 N PINE GROVE WICHITA, KS 67212 EDUCATION EXPENSE VS09T01996 DATED 9/27/2011 FALL 2011 AWARD						147.00-	
09/27/11	CASH DISBURSEMENT PAID TO SKY WATERS 5716 RICHARDSON CIRCLE MADISON, WI 53711 EDUCATION EXPENSE VS09T01996 DATED 9/27/2011 FALL 2011 AWARD						134.00-	
09/27/11	CASH DISBURSEMENT PAID TO WILLIAM WHEELER 7349 S 69 E CT TULSA, OK 74133 EDUCATION EXPENSE VS09T01996 DATED 9/27/2011 FALL 2011 AWARD						156.00-	
09/28/11	CASH DISBURSEMENT PAID TO JULIA CONNEYWERDY 302 4TH ST RED ROCK, OK 74651 EDUCATION EXPENSE VS09T02025 DATED 9/28/2011 FALL 2011 AWARD						161.00-	
09/28/11	CASH DISBURSEMENT PAID TO ERIN FLORER 9566 W 163RD ST SO SAPULPA, OK 74066 EDUCATION EXPENSE VS09T02025 DATED 9/28/2011 FALL 2011 AWARD						151.00-	
09/28/11	CASH DISBURSEMENT PAID TO BRIAN MAIHIS 8836 S 73RD E AVE TULSA, OK 74133 EDUCATION EXPENSE VS09T02025 DATED 9/28/2011 FALL 2011 AWARD						138.00-	

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DATE	TRANSACTION DESCRIPTION	PRINCIPAL		INCOME		INVESTED INCOME		COST
		CASH		CASH		CASH		
09/28/11	CASH DISBURSEMENT PAID TO CONSTANCE MONSOUR 8815 E 116TH N OWASSO, OK 74055 EDUCATION EXPENSE VS09T02025 DATED 9/28/2011 FALL 2011 AWARD						111.00-	
09/28/11	CASH DISBURSEMENT PAID TO CATHERINE PAGE 1711 S DETROIT TULSA, OK 74120 EDUCATION EXPENSE VS09T02025 DATED 9/28/2011 FALL 2011 AWARD						156.00-	
09/28/11	CASH DISBURSEMENT PAID TO DEREK PATRICK 12863 JULIP CT FT MYERS, FL 33966 EDUCATION EXPENSE VS09T02025 DATED 9/28/2011 FALL 2011 AWARD						160.00-	
09/28/11	CASH DISBURSEMENT PAID TO ASHLEY RICHARDS 410 WINSTON DR #103 SAN FRANCISCO, CA 94132 EDUCATION EXPENSE VS09T02025 DATED 9/28/2011 FALL 2011 AWARD						141.00-	
09/28/11	CASH DISBURSEMENT PAID TO ZACKARY SNAVELY 1625 SHEPHERDS RANCH BULVERDE, TX 78163 EDUCATION EXPENSE VS09T02025 DATED 9/28/2011 FALL 2011 AWARD						147.00-	
09/28/11	CASH DISBURSEMENT PAID TO COLIN THOMAS 67 BRAD COURT VAN ALYSTYNE, TX 75495 EDUCATION EXPENSE VS09T02025 DATED 9/28/2011 FALL 2011 AWARD						150.00-	

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DATE	TRANSACTION DESCRIPTION	PRINCIPAL		INCOME		INVESTED INCOME		COST
		CASH		CASH		CASH		
09/28/11	CASH DISBURSEMENT PAID TO COLBY WALLER 2505 WOODTHRUSS ROAD PONCA CITY, OK 74604 EDUCATION EXPENSE VS09T02025 DATED 9/28/2011 FALL 2011 AWARD						145.00-	
09/28/11	CASH DISBURSEMENT PAID TO SARAH WERLE 5706 WESTGATE ST SHAWNEE, KS 66216 EDUCATION EXPENSE VS09T02025 DATED 9/28/2011 FALL 2011 AWARD						156.00-	
09/28/11	CASH DISBURSEMENT PAID TO MARGARET BROWN 3 INDIAN HILL ST LOUIS, MO 63124 EDUCATION EXPENSE VS09T02025 DATED 9/28/2011 FALL 2011 AWARD						156.00-	
09/28/11	CASH DISBURSEMENT PAID TO MOLLY JOHNSON RT 3 BOX 58 OKARCHE, OK 73762 EDUCATION EXPENSE VS09T02025 DATED 9/28/2011 FALL 2011 AWARD						144.00-	
09/29/11	PURCHASED 100,000 PAR VALUE OF FNMA STEP CNS 3/12 3.350% 9/29/26 100,000 PAR VALUE AT 100 %		100,000.00-					
09/30/11	CASH DISBURSEMENT PAID TO ADAM ARGO 3421 CINIZA DR GALLUP, NM 87301 EDUCATION EXPENSE VS09T02138 DATED 9/30/2011 FALL 2011 AWARD						147.00-	

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DATE	TRANSACTION DESCRIPTION	PRINCIPAL		INCOME		INVESTED INCOME		COST
		CASH		CASH		CASH		
09/30/11	CASH DISBURSEMENT PAID TO JOHN BACON 904 SILKTREE BRYANT, AR 72022 EDUCATION EXPENSE VS09T02138 DATED 9/30/2011 FALL 2011 AWARD						157.00-	
09/30/11	CASH DISBURSEMENT PAID TO COURTNEY M JAVINE 11915 ALEXANDRIA DR FRISCO, TX 75035 EDUCATION EXPENSE VS09T02138 DATED 9/30/2011 FALL 2011 AWARD						148.00-	
09/30/11	CASH DISBURSEMENT PAID TO ALEXIS KELTNER 315 N MAIN ST TONKAWA, OK 74653 EDUCATION EXPENSE VS09T02138 DATED 9/30/2011 FALL 2011 AWARD						141.00-	
09/30/11	CASH DISBURSEMENT PAID TO JONATHAN SOFIAN 8644 E 38TH PLACE TULSA, OK 74145 EDUCATION EXPENSE VS09T02138 DATED 9/30/2011 FALL 2011 AWARD						146.00-	
09/30/11	CASH DISBURSEMENT PAID TO MICHAEL R SHAW 7373 E 119TH PL S BIXBY, OK 74008 EDUCATION EXPENSE VS09T02138 DATED 9/30/2011 FALL 2011 AWARD						96.00-	
09/30/11	CASH DISBURSEMENT PAID TO SEAN WYLIE 9821 EAST 96TH PLACE TULSA, OK 74133 EDUCATION EXPENSE VS09T02138 DATED 9/30/2011 FALL 2011 AWARD						160.00-	

TRANSACTIONS

OSAGE TRIBE - 9271-12-1
ACCOUNT NO. XXXXX1121

FOR THE PERIOD 07/01/11 THROUGH 09/30/11

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DATE	TRANSACTION DESCRIPTION	PRINCIPAL		INCOME		INVESTED INCOME		COST
		CASH		CASH		CASH		
09/30/11	CASH DISBURSEMENT PAID TO BRYCE FUGATE PO BOX 774 SPERRY, OK 74073 EDUCATION EXPENSE VS09T02138 DATED 9/30/2011 FALL 2011 AWARD		158.00-					
	GOVERNMENT OVERNIGHTER							
	DAILY PURCHASES AND SALES OF THE OVERNIGHTER ARE SUMMARIZED FOR PURPOSES OF THIS REPORT. PURCHASES (21) 07/01/11 THROUGH 09/30/11 SALES (8) 07/01/11 THROUGH 09/30/11	147,214.29-		0.00		12,458.99-		159,673.28
		100,000.00		0.00		16,212.00		116,212.00-
	TOTAL GOVERNMENT OVERNIGHTER	47,214.29-		0.00		3,753.01		43,461.28
	ENDING BALANCES	0.00		0.00		0.00		1,258,248.65
	SUMMARY OF ACTIVITY FOR PERIOD							
	TOTAL CASH RECEIPTS	0.00		10,805.29		10,805.29		0.00
	TOTAL DISBURSEMENTS	0.00		10,805.29-		16,212.00-		0.00
	TOTAL SECURITIES TRANSACTIONS	47,214.29		0.00		1,653.70		298,841.68
	TOTAL ADJUSTMENTS	0.00		0.00		0.00		0.00
	TOTAL MISCELLANEOUS	0.00		0.00		0.00		0.00

STATEMENT OF ACCOUNT
FOR THE PERIOD 9/ 1/11 THROUGH 9/30/11

AWARD OF INDIAN CLAIMS COMMISSION
OSAGE NATION DOCKETS 105 & 106 & 107
& 108 - 9271

ACCOUNT NUMBER: XXXXX1121

OSAGE TRIBE OF OKLA-OTC (MINERALS)
ATTN: CHIEF FINANCIAL OFFICER
PO BOX 779
PAWHUSKA OK 74056

DIRECT ALL INQUIRIES TO: BRIAN ROSS
PHONE: 918.287.5791

ALTHOUGH MARKET VALUE SHOWN HAS BEEN OBTAINED FROM SOURCES WHICH
WE BELIEVE TO BE RELIABLE, WE DO NOT GUARANTEE ITS ACCURACY, AND
IT MAY BE INCOMPLETE OR CONDENSED. THIS IS FOR INFORMATION
PURPOSES ONLY AND IS NOT INTENDED AS AN OFFER OR SOLICITATION
WITH RESPECT TO THE PURCHASE OR SALE OF ANY SECURITY.

ASSET SUMMARY

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ACCOUNT NO. XXXXX1121

AS OF 9/30/11

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ASSET CATEGORY	COST	PERCENT OF ACCOUNT AT MARKET	MARKET VALUE	UNREALIZED GAIN/LOSS (COST TO MKT)	ESTIMATED ANNUAL INCOME	INCOME YIELD AT COST
PRINCIPAL PORTFOLIO						
US TREASURY OVERNIGHTER	54,461.61	4.21 %	54,461.61	0.00	11	0.02 %
US GOVT SPONS ENTITY ISSUES	903,970.00	71.92 %	930,133.05	26,163.05	41,190	4.56 %
MORTGAGE BACKED SECURITIES	106,477.21	8.83 %	114,180.93	7,703.72	5,337	5.01 %
PRINCIPAL PORTFOLIO TOTAL	1,064,908.82	84.96 %	1,098,775.59	33,866.77	46,538	4.37 %
INVESTED INCOME PORTFOLIO						
US TREASURY OVERNIGHTER	176,362.05	13.64 %	176,362.05	0.00	35	0.02 %
MORTGAGE BACKED SECURITIES	16,977.78	1.40 %	18,151.75	1,173.97	853	5.03 %
INVESTED INCOME PORTFOLIO TOTAL	193,339.83	15.04 %	194,513.80	1,173.97	888	0.46 %
TOTAL INCOME CASH AND INVESTED INCOME PORTFOLIO	193,339.83	15.04 %	194,513.80	1,173.97	888	0.46 %
TOTAL ASSETS	1,258,248.65	100.00 %	1,293,289.39	35,040.74	47,427	3.77 %

LIST OF ASSETS

OSAGE TRIBE - 9271-12-1
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AS OF 9/30/11

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PAR VALUE OR SHARES	ASSET DESCRIPTION	COST	MARKET VALUE AND % OF ACCOUNT	UNREALIZED GAIN/LOSS (COST TO MKT)	ESTIMATED ANNUAL INCOME	INCOME YIELD AT COST
PRINCIPAL PORTFOLIO						
US TREASURY OVERNIGHTER						
54,461.6100	GOVERNMENT OVERNIGHTER 0.01% AVERAGE RATE FOR SEPT 2011 CUSIP: ST0001005	54,461.61	54,461.61 4.21 %	0.00	11	0.02 %
US GOVT SPONS ENTITY ISSUES						
100,000.0000	3.350% FNMA STEP-UP DUE 9/29/26 CALLABLE SEMI-ANNUALLY 3/29/12 UNTIL 9/29/21 STEPS TO 4.25% SYR BULLET CUSIP: 3136FTAT6	100,000.00	100,037.00 7.74 %	37.00	3,350	3.35 %
180,000.0000	3.450% FNMA STEP-UP DUE 9/16/25 CALLABLE SEMI-ANNUALLY 9/16/11UNTIL 9/16/20 STEPS TO A 4.50% SYR BULLET CUSIP: 3136FPGN1	179,820.00	179,668.80 13.89 %	151.20-	6,210	3.45 %
100,000.0000	3.550% FNMA STEP-UP DUE 11/17/25 CALLABLE SEMI-ANNUALLY 11/17/11, TIL 11/17/20 STEPS TO A 4.50% SYR BULLET CUSIP: 3136FPVM6	100,000.00	100,292.00 7.75 %	292.00	3,550	3.55 %
125,000.0000	4.520% FNMA DUE 5/18/26 CALLABLE SEMI-ANNUALLY 11/18/11 CUSIP: 3136FRMH3	125,000.00	125,381.25 9.69 %	381.25	5,650	4.52 %
100,000.0000	5.400% FHLB DUE 3/17/21 CALLABLE ONE-TIME 3/17/16 CUSIP: 3128X4S36	100,200.00	116,166.00 8.98 %	15,966.00	5,400	5.39 %
100,000.0000	5.560% FHLB DUE 6/06/17 CALLABLE ONE-TIME 6/06/12 CUSIP: 3133XL5E9	100,000.00	103,343.00 7.99 %	3,343.00	5,560	5.56 %
100,000.0000	5.670% FFCB DUE 11/17/2021 CALLABLE CONTINUOUSLY 11/17/2011 CUSIP: 31331XDV1	99,100.00	100,585.00 7.78 %	1,485.00	5,670	5.72 %

LIST OF ASSETS

OSAGE TRIBE - 9271-12-1
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AS OF 9/30/11

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PAR VALUE OR SHARES	ASSET DESCRIPTION	COST	MARKET VALUE AND % OF ACCOUNT	UNREALIZED GAIN/LOSS (COST TO MKT)	ESTIMATED ANNUAL INCOME	INCOME YIELD AT COST
100,000.0000	5.800% EFCB DUE 10/18/2022 CALLABLE CONTINUOUSLY 10/18/2012 CUSIP: 31331YAM2	99,850.00	104,660.00 8.09 %	4,810.00	5,800	5.81 %
	TOTAL US GOVT SPONS ENTITY ISSUES	903,970.00	930,133.05 71.92 %	26,163.05	41,190	4.56 %
	MORTGAGE BACKED SECURITIES					
106,744.0700	5.000% GNMA CMO 2004-33 PD 6/16/33 CUSIP: 38374GQY1	106,477.21	114,180.93 8.83 %	7,703.72	5,337	5.01 %
	PRINCIPAL PORTFOLIO TOTAL	1,064,908.82	1,098,775.59 84.96 %	33,866.77	46,538	4.37 %
	INVESTED INCOME PORTFOLIO					
176,362.0500	GOVERNMENT OVERNIGHTER 0.01% AVERAGE RATE FOR SEPT 2011 CUSIP: ST0001005	176,362.05	176,362.05 13.64 %	0.00	35	0.02 %
	MORTGAGE BACKED SECURITIES					
17,063.1200	5.000% FNMA CMO 2003-38 TC 3/25/23 CUSIP: 31393A2C0	16,977.78	18,151.75 1.40 %	1,173.97	853	5.03 %
	INVESTED INCOME PORTFOLIO TOTAL	193,339.83	194,513.80 15.04 %	1,173.97	888	0.46 %
	TOTAL INCOME CASH AND INVESTED INCOME PORTFOLIO	193,339.83	194,513.80 15.04	1,173.97	888	0.46 %
	TOTAL ASSETS	1,258,248.65	1,293,289.39 100.00 %	35,040.74	47,427	3.77 %

BOND MATURITY SCHEDULE

OSAGE TRIBE - 9271-12-1
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AS OF 9/30/11

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	PAR VALUE	% OF TOTAL PAR VALUE	COST	% OF TOTAL COST
<u>INDIVIDUAL ISSUES</u>				
LESS THAN ONE YEAR	0	0.00 %	0.00	0.00 %
1 TO 3 YEARS	0	0.00 %	0.00	0.00 %
3 TO 5 YEARS	0	0.00 %	0.00	0.00 %
5 TO 7 YEARS	100,000	9.72 %	100,000.00	9.73 %
7 TO 10 YEARS	100,000	9.72 %	100,200.00	9.75 %
10+ YEARS	828,807.19	80.56 %	827,224.99	80.51 %
TOTAL BONDS	1,028,807.19	100.00 %	1,027,424.99	100.00 %

TRANSACTIONS

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FOR THE PERIOD 09/01/11 THROUGH 09/30/11

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DATE	TRANSACTION DESCRIPTION	PRINCIPAL		INCOME		INVESTED INCOME		COST
		CASH		CASH		CASH		
	BEGINNING BALANCES		0.00		0.00		0.00	1,261,734.79
09/01/11	CASH DISBURSEMENT PAID TO JOHN CLOTE 513 E JEFFERSON ST LOUIS, MO 63122 EDUCATION EXPENSE VS09T01627 DATED 9/1/2011 FALL 2011 AWARD						109.00-	
09/01/11	CASH DISBURSEMENT PAID TO GREGORY CARPENTER 1227 1/2 ST GARY AVE TULSA, OK 74104 EDUCATION EXPENSE VS09T01627 DATED 9/1/2011 FALL 2011 AWARD						149.00-	
09/01/11	CASH DISBURSEMENT PAID TO MATTHEW CARRICO 15 EL VADO DR RANCHO SANTA MARGARITA, CA 92688 EDUCATION EXPENSE VS09T01627 DATED 9/1/2011 FALL 2011 AWARD						154.00-	
09/01/11	CASH DISBURSEMENT PAID TO JAMES GROSS 8402 S 34TH W AVE TULSA, OK 74132 EDUCATION EXPENSE VS09T01627 DATED 9/1/2011 FALL 2011 AWARD						161.00-	
09/01/11	CASH DISBURSEMENT PAID TO DAKOTA HUNT 1047 WOODGATE RD RINGGOLD, GA 30736 EDUCATION EXPENSE VS09T01627 DATED 9/1/2011 FALL 2011 AWARD						143.00-	

TRANSACTIONS

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FOR THE PERIOD 09/01/11 THROUGH 09/30/11

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DATE	TRANSACTION DESCRIPTION	PRINCIPAL		INCOME		INVESTED INCOME		COST
		CASH		CASH		CASH		
09/01/11	CASH DISBURSEMENT PAID TO WILLIAM HAMM II 2412 S ROCKFORD PARKWAY ARDMORE, OK 73401 EDUCATION EXPENSE VS09T01627 DATED 9/1/2011 FALL 2011 AWARD						135.00-	
09/01/11	CASH DISBURSEMENT PAID TO WILLIAM HIGHT 735 W 3RD ST SKIATOOK, OK 74070 EDUCATION EXPENSE VS09T01627 DATED 9/1/2011 FALL 2011 AWARD						122.00-	
09/01/11	CASH DISBURSEMENT PAID TO BREE HARJO 1537 CAMDEN WAY NORMAN, OK 73069 EDUCATION EXPENSE VS09T01627 DATED 9/1/2011 FALL 2011 AWARD						186.00-	
09/01/11	CASH DISBURSEMENT PAID TO JAMES KNIGHT PO BOX 93 OCHELATA, OK 74051 EDUCATION EXPENSE VS09T01627 DATED 9/1/2011 FALL 2011 AWARD						146.00-	
09/01/11	CASH DISBURSEMENT PAID TO TARRA KANIA 7 RUSSELL ROAD MCLLOUD, OK 74851 EDUCATION EXPENSE VS09T01627 DATED 9/1/2011 FALL 2011 AWARD						129.00-	
09/01/11	CASH DISBURSEMENT PAID TO TAMARA KELLEY 4851 S WASHINGTON ENGLEWOOD, CO 80113 EDUCATION EXPENSE VS09T01627 DATED 9/1/2011 FALL 2011 AWARD						158.00-	

TRANSACTIONS

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FOR THE PERIOD 09/01/11 THROUGH 09/30/11

DATE	TRANSACTION DESCRIPTION	PRINCIPAL		INCOME		INVESTED INCOME		COST
		CASH		CASH		CASH		
09/01/11	CASH DISBURSEMENT PAID TO KYLE STREET 17820 NE 120TH ST LIBERTY, MO 64048 EDUCATION EXPENSE VS09T01627 DATED 9/1/2011 FALL 2011 AWARD						143.00-	
09/01/11	CASH DISBURSEMENT PAID TO LANCE TOINEETA 1040 S WOOD HOMINY, OK 74035 EDUCATION EXPENSE VS09T01627 DATED 9/1/2011 FALL 2011 AWARD						166.00-	
09/01/11	CASH DISBURSEMENT PAID TO MALORIE WEBS 105 E POPLAR APT 3 HARRISBURG, IL 62946 EDUCATION EXPENSE VS09T01627 DATED 9/1/2011 FALL 2011 AWARD						70.00-	
09/01/11	CASH DISBURSEMENT PAID TO BRYN WALSH 3624 BECKET LN NAPERVILLE, IL 60564 EDUCATION EXPENSE VS09T01627 DATED 9/1/2011 FALL 2011 AWARD						144.00-	
09/01/11	CASH DISBURSEMENT PAID TO JESSICA WILDER 16904 CLUB HILL DR DALLAS, TX 75248 EDUCATION EXPENSE VS09T01627 DATED 9/1/2011 FALL 2011 AWARD						138.00-	
09/01/11	CASH RECEIPT OF INTEREST EARNED ON GOVERNMENT OVERNIGHTER INTEREST FROM 8/1/11 TO 8/31/11					0.16		
09/01/11	CASH RECEIPT OF INTEREST EARNED ON GOVERNMENT OVERNIGHTER INTEREST FROM 8/1/11 TO 8/31/11					3.27		

TRANSACTIONS

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FOR THE PERIOD 09/01/11 THROUGH 09/30/11

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DATE	TRANSACTION DESCRIPTION	PRINCIPAL		INCOME		INVESTED INCOME		COST
		CASH		CASH		CASH		
09/01/11	CASH DISBURSEMENT TRANSFER TO INVESTED INCOME				3.43-			
09/01/11	CASH RECEIPT TRANSFER FROM INCOME					3.43		
09/06/11	SOLD 68,000 PAR VALUE OF FHLB CC 7/21/11 4.230% 7/21/25 FINAL PRINCIPAL PAYDOWN	68,000.00						
09/06/11	CASH RECEIPT OF INTEREST EARNED ON FHLB CC 7/21/11 4.230% 7/21/25 \$0.005287/\$1 PV ON 68,000 PAR VALUE DUE 9/6/11			359.55				
09/06/11	CASH DISBURSEMENT TRANSFER TO INVESTED INCOME				359.55-			
09/06/11	CASH RECEIPT TRANSFER FROM INCOME					359.55		
09/07/11	CASH DISBURSEMENT PAID TO JUSTIN ASHWORTH 1825 N ROBIN WICHITA, KS 67212 EDUCATION EXPENSE VS09T01653 DATED 9/7/2011 FALL 2011 AWARD						174.00-	
09/07/11	CASH DISBURSEMENT PAID TO MICHAEL BRISTOW 2701 S 98TH EAST AVE TULSA, OK 74129 EDUCATION EXPENSE VS09T01653 DATED 9/7/2011 FALL 2011 AWARD						171.00-	
09/07/11	CASH DISBURSEMENT PAID TO HEATHER CASTLEBERRY 6444 W HEFNER RD OKLAHOMA CITY, OK 73162 EDUCATION EXPENSE VS09T01653 DATED 9/7/2011 FALL 2011 AWARD						105.00-	

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FOR THE PERIOD 09/01/11 THROUGH 09/30/11

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DATE	TRANSACTION DESCRIPTION	PRINCIPAL		INCOME		INVESTED INCOME		COST
		CASH		CASH		CASH		
09/07/11	CASH DISBURSEMENT PAID TO KILEY EDMUNDSON 1508 PLANTATION LAKES CIRCLE CHESAPEAKE, VA 23320 EDUCATION EXPENSE VS09T01653 DATED 9/7/2011 FALL 2011 AWARD						155.00-	
09/07/11	CASH DISBURSEMENT PAID TO MARY FLORES 9566 W 163RD ST S SAPULPA, OK 74066 EDUCATION EXPENSE VS09T01653 DATED 9/7/2011 FALL 2011 AWARD						157.00-	
09/07/11	CASH DISBURSEMENT PAID TO BLAKE HICKS 1231 HAMDEN RD BARTLESVILLE, OK 74006 EDUCATION EXPENSE VS09T01653 DATED 9/7/2011 FALL 2011 AWARD						137.00-	
09/07/11	CASH DISBURSEMENT PAID TO AMY JOHNSON RT 3 BOX 68 OKARCHE, OK 73762 EDUCATION EXPENSE VS09T01653 DATED 9/7/2011 FALL 2011 AWARD						153.00-	
09/07/11	CASH DISBURSEMENT PAID TO ERIN MEEKS 430519 E 280 RD VINITA, OK 74301 EDUCATION EXPENSE VS09T01653 DATED 9/7/2011 FALL 2011 AWARD						141.00-	
09/07/11	CASH DISBURSEMENT PAID TO MEGAN PRESCOTT 136 W ORCHARD PARK RD DEXTER, NM 88230 EDUCATION EXPENSE VS09T01653 DATED 9/7/2011 FALL 2011 AWARD						151.00-	

TRANSACTIONS

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FOR THE PERIOD 09/01/11 THROUGH 09/30/11

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DATE	TRANSACTION DESCRIPTION	PRINCIPAL		INCOME		INVESTED INCOME		COST
		CASH		CASH		CASH		
09/07/11	CASH DISBURSEMENT PAID TO VICTORIA SMITH 34945 SPRING VALLEY RD PAOLA, KS 66071 EDUCATION EXPENSE VS09T01653 DATED 9/7/2011 FALL 2011 AWARD						141.00-	
09/07/11	CASH DISBURSEMENT PAID TO JOSHUA SMITH PO BOX 1141 SKIATOOK, OK 74070 EDUCATION EXPENSE VS09T01653 DATED 9/7/2011 FALL 2011 AWARD						140.00-	
09/07/11	CASH DISBURSEMENT PAID TO MICHAEL SPARKS 12031 W 105TH AVE ST JOHN, IN 46373 EDUCATION EXPENSE VS09T01653 DATED 9/7/2011 FALL 2011 AWARD						144.00-	
09/07/11	CASH DISBURSEMENT PAID TO SARAH SULLIVAN 3721 FIELDCREST LN BEDFORD, TX 76021 EDUCATION EXPENSE VS09T01653 DATED 9/7/2011 FALL 2011 AWARD						140.00-	
09/07/11	CASH DISBURSEMENT PAID TO ROMY TRACY 5681 SAN JOSE DR PLEASANTON, CA 94566 EDUCATION EXPENSE VS09T01653 DATED 9/7/2011 FALL 2011 AWARD						140.00-	
09/07/11	CASH DISBURSEMENT PAID TO TYLER WALLACE 29226 S WEST RD PARK HILL, OK 74451 EDUCATION EXPENSE VS09T01653 DATED 9/7/2011 FALL 2011 AWARD						142.00-	

TRANSACTIONS

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FOR THE PERIOD 09/01/11 THROUGH 09/30/11

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DATE	TRANSACTION DESCRIPTION	PRINCIPAL		INCOME		INVESTED INCOME		COST
		CASH		CASH		CASH		
09/16/11	CASH DISBURSEMENT TRANSFER TO INVESTED INCOME			3,105.00-				
09/16/11	CASH RECEIPT TRANSFER FROM INCOME					3,105.00		
09/16/11	CASH RECEIPT OF INTEREST EARNED ON FNMA STEP CNS 9/11 3.450% 9/16/25 \$0.01725/\$1 PV ON 180,000 PAR VALUE DUE 9/16/11			3,105.00				
09/16/11	CASH RECEIPT OF INTEREST EARNED ON GNMA CMO 2004-33 PD 5.000% 6/16/33 \$0.00417/PV ON 109,133.33 PV DUE 9/16/11			454.72				
09/16/11	PAID DOWN 2,389.26 PAR VALUE OF GNMA CMO 2004-33 PD 5.000% 6/16/33 LT CAPITAL GAIN OF \$5.97 ON FEDERAL COST LT CAPITAL GAIN OF \$5.97 ON STATE COST FEDERAL TAX COST \$2,383.29 STATE TAX COST \$2,383.29		2,389.26					
09/16/11	CASH DISBURSEMENT TRANSFER TO INVESTED INCOME			454.72-				
09/16/11	CASH RECEIPT TRANSFER FROM INCOME					454.72		
09/19/11	CASH DISBURSEMENT TRANSFER TO INVESTED INCOME			751.11-				
09/19/11	CASH RECEIPT TRANSFER FROM INCOME					751.11		
09/19/11	CASH RECEIPT OF INTEREST EARNED ON FNMA CC 4/11/11 4.000% 9/30/25 \$0.018778/\$1 PV ON 40,000 PAR VALUE DUE 9/19/11			751.11				
09/19/11	CASH RECEIPT OF INTEREST EARNED ON FHLMC 1XC 3/17/16 5.400% 3/17/21 \$0.027/\$1 PV ON 100,000 PAR VALUE DUE 9/17/11			2,700.00				

TRANSACTIONS

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FOR THE PERIOD 09/01/11 THROUGH 09/30/11

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DATE	TRANSACTION DESCRIPTION	PRINCIPAL		INCOME		INVESTED INCOME		COST
		CASH		CASH		CASH		
09/19/11	FULL CALL 40,000 \$1 PV FNMA CC 4/11/11 4.000% 9/30/25 ON 09/19/11 AT \$1.00 FEDERAL TAX COST \$40,000.00 STATE TAX COST \$40,000.00	40,000.00						
09/19/11	CASH DISBURSEMENT TRANSFER TO INVESTED INCOME		2,700.00-					
09/19/11	CASH RECEIPT TRANSFER FROM INCOME				2,700.00			
09/26/11	CASH RECEIPT OF INTEREST EARNED ON FNMA CMO 2003-38 TC 5.000% 3/25/23 \$0.00417/PV ON 17,607.37 PV DUE 9/25/11				73.36			
09/26/11	PAID DOWN 544.25 PAR VALUE OF FNMA CMO 2003-38 TC 5.000% 3/25/23 LT CAPITAL GAIN OF \$2.72 ON FEDERAL COST LT CAPITAL GAIN OF \$2.72 ON STATE COST FEDERAL TAX COST \$541.53 STATE TAX COST \$541.53					544.25		
09/26/11	CASH DISBURSEMENT TRANSFER TO INVESTED INCOME				73.36-			
09/26/11	CASH RECEIPT TRANSFER FROM INCOME						73.36	
09/27/11	CASH DISBURSEMENT PAID TO BURK BRADSHAW 9330 W MAULE AVE #214 LAS VEGAS, NV 89148 EDUCATION EXPENSE VS09T01996 DATED 9/27/2011 FALL 2011 AWARD						150.00-	

TRANSACTIONS

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DATE	TRANSACTION DESCRIPTION	PRINCIPAL		INCOME		INVESTED INCOME		COST
		CASH		CASH		CASH		
09/27/11	CASH DISBURSEMENT PAID TO LARRY CARMICHAEL 2625 CACTUS RD BOX 121 PHOENIX, AZ 85032 EDUCATION EXPENSE VS09T01996 DATED 9/27/2011 FALL 2011 AWARD						140.00-	
09/27/11	CASH DISBURSEMENT PAID TO ANDREW DYDAK 6709 DOGWOOD DR QUINTON, VA 23141 EDUCATION EXPENSE VS09T01996 DATED 9/27/2011 FALL 2011 AWARD						155.00-	
09/27/11	CASH DISBURSEMENT PAID TO CHELSEA HICKS 1914 LEWIS MTN RD APT D CHARLOTTESVILLE, VA 22903 EDUCATION EXPENSE VS09T01996 DATED 9/27/2011 FALL 2011 AWARD						161.00-	
09/27/11	CASH DISBURSEMENT PAID TO ANNA KELLEY 348501 E 4400 RD PAWNEE, OK 74058 EDUCATION EXPENSE VS09T01996 DATED 9/27/2011 FALL 2011 AWARD						59.00-	
09/27/11	CASH DISBURSEMENT PAID TO MARY KEY 2720 W GARDNER AVE SPOKANE, WA 99201 EDUCATION EXPENSE VS09T01996 DATED 9/27/2011 FALL 2011 AWARD						144.00-	
09/27/11	CASH DISBURSEMENT PAID TO CARLY O'BRIEN 10823 E 115TH ST S BIXBY, OK 74008 EDUCATION EXPENSE VS09T01996 DATED 9/27/2011 FALL 2011 AWARD						152.00-	

TRANSACTIONS

OSAGE TRIBE - 9271-12-1
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FOR THE PERIOD 09/01/11 THROUGH 09/30/11

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DATE	TRANSACTION DESCRIPTION	PRINCIPAL		INCOME		INVESTED INCOME		COST
		CASH		CASH		CASH		
09/28/11	CASH DISBURSEMENT PAID TO ERIN FLOER 9566 W 163RD ST SO SAPULPA, OK 74066 EDUCATION EXPENSE VS09T02025 DATED 9/28/2011 FALL 2011 AWARD						151.00-	
09/28/11	CASH DISBURSEMENT PAID TO BRIAN MATHIS 8836 S 73RD E AVE TULSA, OK 74133 EDUCATION EXPENSE VS09T02025 DATED 9/28/2011 FALL 2011 AWARD						138.00-	
09/28/11	CASH DISBURSEMENT PAID TO CONSTANCE MONSOUR 8815 E 116TH N OWASSO, OK 74055 EDUCATION EXPENSE VS09T02025 DATED 9/28/2011 FALL 2011 AWARD						111.00-	
09/28/11	CASH DISBURSEMENT PAID TO CATHERINE PAGE 1711 S DETROIT TULSA, OK 74120 EDUCATION EXPENSE VS09T02025 DATED 9/28/2011 FALL 2011 AWARD						156.00-	
09/28/11	CASH DISBURSEMENT PAID TO DEREK PATRICK 12863 JULIP CT FT MYERS, FL 33966 EDUCATION EXPENSE VS09T02025 DATED 9/28/2011 FALL 2011 AWARD						160.00-	
09/28/11	CASH DISBURSEMENT PAID TO ASHLEY RICHARDS 410 WINSTON DR #103 SAN FRANCISCO, CA 94132 EDUCATION EXPENSE VS09T02025 DATED 9/28/2011 FALL 2011 AWARD						141.00-	

TRANSACTIONS

OSAGE TRIBE - 9271-12-1
ACCOUNT NO. XXXX1121

FOR THE PERIOD 09/01/11 THROUGH 09/30/11

PAGE 18

DATE	TRANSACTION DESCRIPTION	PRINCIPAL		INCOME		INVESTED INCOME		COST
		CASH		CASH		CASH		
09/28/11	CASH DISBURSEMENT PAID TO ZACKARY SNAVELY 1625 SHEPHERDS RANCH BULVERDE, TX 78163 EDUCATION EXPENSE VS09T02025 DATED 9/28/2011 FALL 2011 AWARD						147.00-	
09/28/11	CASH DISBURSEMENT PAID TO COLIN THOMAS 67 BRAD COURT VAN ALYSTYNE, TX 75495 EDUCATION EXPENSE VS09T02025 DATED 9/28/2011 FALL 2011 AWARD						150.00-	
09/28/11	CASH DISBURSEMENT PAID TO COLBY WALLER 2505 WOODTHRUSH ROAD PONCA CITY, OK 74604 EDUCATION EXPENSE VS09T02025 DATED 9/28/2011 FALL 2011 AWARD						145.00-	
09/28/11	CASH DISBURSEMENT PAID TO SARAH WERLE 5706 WESTGATE ST SHAWNEE, KS 66216 EDUCATION EXPENSE VS09T02025 DATED 9/28/2011 FALL 2011 AWARD						156.00-	
09/28/11	CASH DISBURSEMENT PAID TO MARGARET BROWN 3 INDIAN HILL ST LOUIS, MO 63124 EDUCATION EXPENSE VS09T02025 DATED 9/28/2011 FALL 2011 AWARD						156.00-	
09/28/11	CASH DISBURSEMENT PAID TO MOLLY JOHNSON RT 3 BOX 68 OKARCHE, OK 73762 EDUCATION EXPENSE VS09T02025 DATED 9/28/2011 FALL 2011 AWARD						144.00-	

TRANSACTIONS

OSAGE TRIBE - 9271-12-1
ACCOUNT NO. XXXXX1121

FOR THE PERIOD 09/01/11 THROUGH 09/30/11

PAGE 19

DATE	TRANSACTION DESCRIPTION	PRINCIPAL		INCOME		INVESTED INCOME		COST
		CASH		CASH		CASH		
09/29/11	PURCHASED 100,000 PAR VALUE OF FNMA STEP CNS 3/12 3.350% 9/29/26 100,000 PAR VALUE AT 100 %	100,000.00-						
09/30/11	CASH DISBURSEMENT PAID TO ADAM ARGO 3421 CINIZA DR GALLUP, NM 87301 EDUCATION EXPENSE VS09T02138 DATED 9/30/2011 FALL 2011 AWARD						147.00-	
09/30/11	CASH DISBURSEMENT PAID TO JOHN BACON 904 SILKTREE BRYANT, AR 72022 EDUCATION EXPENSE VS09T02138 DATED 9/30/2011 FALL 2011 AWARD						157.00-	
09/30/11	CASH DISBURSEMENT PAID TO COURTNEY M JAVINE 11915 ALEXANDRIA DR FRISCO, TX 75035 EDUCATION EXPENSE VS09T02138 DATED 9/30/2011 FALL 2011 AWARD						148.00-	
09/30/11	CASH DISBURSEMENT PAID TO ALEXIS KELTNER 315 N MAIN ST TONKAWA, OK 74653 EDUCATION EXPENSE VS09T02138 DATED 9/30/2011 FALL 2011 AWARD						141.00-	
09/30/11	CASH DISBURSEMENT PAID TO JONATHAN SOFIAN 8644 E 38TH PLACE TULSA, OK 74145 EDUCATION EXPENSE VS09T02138 DATED 9/30/2011 FALL 2011 AWARD						146.00-	

TRANSACTIONS

OSAGE TRIBE - 9271-12-1
ACCOUNT NO. XXXXX1121

FOR THE PERIOD 09/01/11 THROUGH 09/30/11

PAGE 20

DATE	TRANSACTION DESCRIPTION	PRINCIPAL		INCOME		INVESTED INCOME		COST
		CASH		CASH		CASH		
09/30/11	CASH DISBURSEMENT PAID TO MICHAEL R SHAW 7373 E 119TH PL S BIXBY, OK 74008						96.00-	
	EDUCATION EXPENSE VS09T02138 DATED 9/30/2011 FALL 2011 AWARD							
09/30/11	CASH DISBURSEMENT PAID TO SEAN WYLIE 9821 EAST 96TH PLACE TULSA, OK 74133						160.00-	
	EDUCATION EXPENSE VS09T02138 DATED 9/30/2011 FALL 2011 AWARD							
09/30/11	CASH DISBURSEMENT PAID TO BRYCE FUGATE PO BOX 774 SPERRY, OK 74073						158.00-	
	EDUCATION EXPENSE VS09T02138 DATED 9/30/2011 FALL 2011 AWARD							
GOVERNMENT OVERNIGHTER								
	DAILY PURCHASES AND SALES OF THE OVERNIGHTER ARE SUMMARIZED FOR PURPOSES OF THIS REPORT. PURCHASES (10) 09/01/11 THROUGH 09/30/11 SALES (6) 09/01/11 THROUGH 09/30/11	110,389.26-	100,000.00	0.00	0.00	7,991.42-	10,942.00	118,380.68 110,942.00-
	TOTAL GOVERNMENT OVERNIGHTER	10,389.26-		0.00		2,950.58		7,438.68
	ENDING BALANCES	0.00		0.00		0.00		1,258,248.65

TRANSACTIONS

OSAGE TRIBE - 9271-12-1
ACCOUNT NO. XXXXX1121

FOR THE PERIOD 09/01/11 THROUGH 09/30/11

PAGE 21

DATE	TRANSACTION DESCRIPTION	PRINCIPAL		INCOME		INVESTED INCOME		COST
		CASH		CASH		CASH		
SUMMARY OF ACTIVITY FOR PERIOD								
	TOTAL CASH RECEIPTS		0.00	7,447.17		7,447.17		0.00
	TOTAL DISBURSEMENTS		0.00	7,447.17-		10,942.00-		0.00
	TOTAL SECURITIES TRANSACTIONS		10,389.26		0.00	544.25		210,924.82
	TOTAL ADJUSTMENTS		0.00	0.00		0.00		0.00
	TOTAL MISCELLANEOUS		0.00	0.00		0.00		0.00

STATEMENT OF ACCOUNT
FOR THE PERIOD 9/ 1/11 THROUGH 9/30/11

OSAGE FUND - 7385

ACCOUNT NUMBER: XXXXX5708

OSAGE TRIBE OF OKLA-OTC (MINERALS)
ATTN: CHIEF FINANCIAL OFFICER
PO BOX 779
PAWUSKA OK 74056

DIRECT ALL INQUIRIES TO: BRIAN ROSS
PHONE: 918.287.5791

ALTHOUGH MARKET VALUE SHOWN HAS BEEN OBTAINED FROM SOURCES WHICH WE BELIEVE TO BE RELIABLE, WE DO NOT GUARANTEE ITS ACCURACY, AND IT MAY BE INCOMPLETE OR CONDENSED. THIS IS FOR INFORMATION PURPOSES ONLY AND IS NOT INTENDED AS AN OFFER OR SOLICITATION WITH RESPECT TO THE PURCHASE OR SALE OF ANY SECURITY.

ASSET SUMMARY

OSAGE TRIBE - 7385-70-8
ACCOUNT NO. XXXXX5708

AS OF 9/30/11

PAGE 1

ASSET CATEGORY	COST	PERCENT OF ACCOUNT AT MARKET	MARKET VALUE	UNREALIZED GAIN/LOSS (COST TO MKT)	ESTIMATED ANNUAL INCOME	INCOME YIELD AT COST
<u>PRINCIPAL PORTFOLIO</u>						
US TREASURY OVERNIGHTER	56,596.62	3.88 %	56,596.62	0.00	11	0.02 %
US GOVT SPONS ENTITY ISSUES	1,397,904.00	96.12 %	1,403,920.00	6,016.00	33,750	2.41 %
<u>TOTAL ASSETS</u>	<u>1,454,500.62</u>	<u>100.00 %</u>	<u>1,460,516.62</u>	<u>6,016.00</u>	<u>33,761</u>	<u>2.32 %</u>

LIST OF ASSETS

OSAGE TRIBE - 7385-70-8
ACCOUNT NO. XXXXX5708

AS OF 9/30/11

PAGE 2

PAR VALUE OR SHARES	ASSET DESCRIPTION	COST	MARKET VALUE AND % OF ACCOUNT	UNREALIZED GAIN/LOSS (COST TO MKT)	ESTIMATED ANNUAL INCOME	INCOME YIELD AT COST
PRINCIPAL PORTFOLIO						
US TREASURY OVERNIGHTER						
56,596.6200	GOVERNMENT OVERNIGHTER 0.01% AVERAGE RATE FOR SEPT 2011 CUSIP: ST0001005	56,596.62	56,596.62 3.88 %	0.00	11	0.02 %
US GOVT SPONS ENTITY ISSUES						
400,000.0000	1.500% FNMA STEP-UP DUE 7/29/20 CALLABLE QUARTERLY 4/29/11, UNTIL 7/29/12 STEPS TO A 4.00% 8YR BULLET CUSIP: 3136FM6C3	398,204.00	400,280.00 27.41 %	2,076.00	6,000	1.51 %
500,000.0000	2.000% FHLB STEP-UP DUE 8/20/25 CALLABLE 1X 8/20/13 CUSIP: 313370H76	499,700.00	502,180.00 34.38 %	2,480.00	10,000	2.00 %
500,000.0000	3.550% FNMA STEP-UP DUE 11/17/25 CALLABLE SEMI-ANNUALLY 11/17/11, TIL 11/17/20 STEPS TO A 4.50% 5YR BULLET CUSIP: 3136FPVM6	500,000.00	501,460.00 34.33 %	1,460.00	17,750	3.55 %
TOTAL US GOVT SPONS ENTITY ISSUES		1,397,904.00	1,403,920.00 96.12 %	6,016.00	33,750	2.41 %
TOTAL ASSETS		1,454,500.62	1,460,516.62	6,016.00	33,761	2.32 %
			100.00 %			

BOND MATURITY SCHEDULE

OSAGE TRIBE - 7385-70-8
ACCOUNT NO. XXXXX5708

AS OF 9/30/11

PAGE 3

INDIVIDUAL ISSUES	PAR VALUE	% OF TOTAL PAR VALUE	COST	% OF TOTAL COST
LESS THAN ONE YEAR	0	0.00 %	0.00	0.00 %
1 TO 3 YEARS	0	0.00 %	0.00	0.00 %
3 TO 5 YEARS	0	0.00 %	0.00	0.00 %
5 TO 7 YEARS	0	0.00 %	0.00	0.00 %
7 TO 10 YEARS	400,000	28.57 %	398,204.00	28.49 %
10+ YEARS	1,000,000	71.43 %	999,700.00	71.51 %
TOTAL BONDS	1,400,000	100.00 %	1,397,904.00	100.00 %

TRANSACTIONS

OSAGE TRIBE - 7385-70-8
ACCOUNT NO. XXXXX5708

FOR THE PERIOD 09/01/11 THROUGH 09/30/11

PAGE 4

	CASH	COST
BEGINNING BALANCE	0.00	1,454,499.71
09/01/11 CASH RECEIPT OF INTEREST EARNED ON GOVERNMENT OVERNIGHTER INTEREST FROM 8/1/11 TO 8/31/11	0.91	
GOVERNMENT OVERNIGHTER		
DAILY PURCHASES AND SALES OF THE OVERNIGHTER ARE SUMMARIZED FOR PURPOSES OF THIS REPORT: PURCHASES (1) 09/01/11 THROUGH 09/30/11	0.91-	0.91
SALES (0) 09/01/11 THROUGH 09/30/11	0.00	0.00
TOTAL GOVERNMENT OVERNIGHTER	0.91-	0.91
ENDING BALANCES	0.00	1,454,500.62
SUMMARY OF ACTIVITY FOR PERIOD		
TOTAL CASH RECEIPTS	0.91	0.00
TOTAL DISBURSEMENTS	0.00	0.00
TOTAL SECURITIES TRANSACTIONS	0.00	0.00
TOTAL ADJUSTMENTS	0.00	0.00
TOTAL MISCELLANEOUS	0.00	0.00

STATEMENT OF ACCOUNT
FOR THE PERIOD 9/ 1/11 THROUGH 9/30/11

OSAGE TRIBE--PROCEEDS FROM NON-OIL &
GAS-OSAGE RESERVATION - 7387

ACCOUNT NUMBER: XXXXX7704

OSAGE TRIBE OF OKLA-OTC (MINERALS)
ATTN: CHIEF FINANCIAL OFFICER
PO BOX 779
PAWUSKA OK 74056

DIRECT ALL INQUIRIES TO: BRIAN ROSS
PHONE: 918.287.5791

ALTHOUGH MARKET VALUE SHOWN HAS BEEN OBTAINED FROM SOURCES WHICH
WE BELIEVE TO BE RELIABLE, WE DO NOT GUARANTEE ITS ACCURACY, AND
IT MAY BE INCOMPLETE OR CONDENSED. THIS IS FOR INFORMATION
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WITH RESPECT TO THE PURCHASE OR SALE OF ANY SECURITY.

ASSET SUMMARY

OSAGE TRIBE -- 7387-70-4
ACCOUNT NO. XXXXX7704

AS OF 9/30/11

PAGE 1

ASSET CATEGORY	COST	PERCENT OF ACCOUNT AT MARKET	MARKET VALUE	UNREALIZED GAIN/LOSS (COST TO MKT)	ESTIMATED ANNUAL INCOME	INCOME YIELD AT COST
PRINCIPAL PORTFOLIO						
US TREASURY OVERNIGHTER	6,349.23	4.66 %	6,349.23	0.00	1	0.02 %
US GOVT SPONS ENTITY ISSUES	130,000.00	95.34 %	129,768.60	231.40-	4,485	3.45 %
TOTAL ASSETS	136,349.23	100.00 %	136,117.83	231.40-	4,486	3.29 %

LIST OF ASSETS

OSAGE TRIBE - 7387-70-4
ACCOUNT NO. XXXX7704

AS OF 9/30/11

PAGE 2

PAR VALUE OR SHARES	ASSET DESCRIPTION	COST	MARKET VALUE AND % OF ACCOUNT	UNREALIZED GAIN/LOSS (COST TO MKT)	ESTIMATED ANNUAL INCOME	INCOME YIELD AT COST
PRINCIPAL PORTFOLIO						
US TREASURY OVERNIGHTER						
6,349.2300	GOVERNMENT OVERNIGHTER 0.01% AVERAGE RATE FOR SEPT 2011 CUSIP: ST0001005	6,349.23	6,349.23 4.66 %	0.00	1	0.02 %
US GOVT SPONS ENTITY ISSUES						
130,000.0000	3.450% FHLB STEP-UP DUE 8/26/25 CALLABLE QUARTERLY 8/26/11, UNTIL 8/26/20 STEPS TO A 4.50% 5YR BULLET CUSIP: 313370Q43	130,000.00	129,768.60 95.34 %	231.40-	4,485	3.45 %
TOTAL ASSETS		136,349.23	136,117.83	231.40-	4,486	3.29 %
			100.00 %			

BOND MATURITY SCHEDULE

OSAGE TRIBE - 7387-70-4
ACCOUNT NO. XXXX7704

AS OF 9/30/11

PAGE 3

	PAR VALUE	% OF TOTAL PAR VALUE	COST	% OF TOTAL COST
INDIVIDUAL ISSUES				
LESS THAN ONE YEAR	0	0.00 %	0.00	0.00 %
1 TO 3 YEARS	0	0.00 %	0.00	0.00 %
3 TO 5 YEARS	0	0.00 %	0.00	0.00 %
5 TO 7 YEARS	0	0.00 %	0.00	0.00 %
7 TO 10 YEARS	0	0.00 %	0.00	0.00 %
10+ YEARS	130,000	100.00 %	130,000.00	100.00 %
TOTAL BONDS	130,000	100.00 %	130,000.00	100.00 %

TRANSACTIONS

OSAGE TRIBE - 7387-70-4
ACCOUNT NO. XXXXX7704

FOR THE PERIOD 09/01/11 THROUGH 09/30/11

PAGE 4

	<u>CASH</u>	<u>COST</u>
BEGINNING BALANCE	0.00	136,349.18

09/01/11 CASH RECEIPT OF INTEREST EARNED ON GOVERNMENT OVERNIGHTER INTEREST FROM 8/1/11 TO 8/31/11	0.05	
----------------------------------------------------------------------------------------------------------	------	--

GOVERNMENT OVERNIGHTER		
DAILY PURCHASES AND SALES OF THE OVERNIGHTER ARE SUMMARIZED FOR PURPOSES OF THIS REPORT.		
PURCHASES (1) 09/01/11 THROUGH 09/30/11	0.05-	0.05
SALES (0) 09/01/11 THROUGH 09/30/11	0.00	0.00

TOTAL GOVERNMENT OVERNIGHTER	0.05-	0.05
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ENDING BALANCES	0.00	136,349.23
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SUMMARY OF ACTIVITY FOR PERIOD

TOTAL CASH RECEIPTS	0.05	0.00
TOTAL DISBURSEMENTS	0.00	0.00
TOTAL SECURITIES TRANSACTIONS	0.00	0.00
TOTAL ADJUSTMENTS	0.00	0.00
TOTAL MISCELLANEOUS	0.00	0.00

STATEMENT OF ACCOUNT
FOR THE PERIOD 10/ 1/10 THROUGH 9/30/11

OSAGE TRIBE-PL-7549-70-1
COMMENCEMENT MONEY AND OTHER DAMAGES
TO TRIBAL TRUST LAND AS THE RESULT
OF DRILLING OPERATIONS 25 CFR 19

ACCOUNT NUMBER: XXXXX9701

OSAGE TRIBE OF OKLA-OTC (MINERALS)
ATTN: CHIEF FINANCIAL OFFICER
PO BOX 779
PAWUSKA OK 74056

DIRECT ALL INQUIRIES TO: BRIAN ROSS
PHONE: 918.287.5791

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WITH RESPECT TO THE PURCHASE OR SALE OF ANY SECURITY.

ASSET SUMMARY

OSAGE TRIBE-PL-7549-1
ACCOUNT NO. XXXXX9701

AS OF 9/30/11

PAGE 1

ASSET CATEGORY	COST	PERCENT OF ACCOUNT AT MARKET	MARKET VALUE	UNREALIZED GAIN/LOSS (COST TO MKT)	ESTIMATED ANNUAL INCOME	INCOME YIELD AT COST
PRINCIPAL PORTFOLIO						
US TREASURY OVERNIGHTER	5,663.69	100.00 %	5,663.69	0.00	1	0.02 %
TOTAL ASSETS	5,663.69	100.00 %	5,663.69	0.00	1	0.02 %

LIST OF ASSETS

OSAGE TRIBE-PL-7549-1
ACCOUNT NO. XXXXX9701

AS OF 9/30/11

PAGE 2

PAR VALUE OR SHARES	ASSET DESCRIPTION	COST	MARKET VALUE AND % OF ACCOUNT	UNREALIZED GAIN/LOSS (COST TO MKT)	ESTIMATED ANNUAL INCOME	INCOME YIELD AT COST
PRINCIPAL PORTFOLIO						
US TREASURY OVERNIGHTER						
5,663.6900	GOVERNMENT OVERNIGHTER 0.01% AVERAGE RATE FOR SEPT 2011 CUSIP: ST0001005	5,663.69	5,663.69 100.00 %	0.00	1	0.02 %
TOTAL ASSETS		5,663.69	5,663.69 100.00 %	0.00	1	0.02 %

TRANSACTIONS

OSAGE TRIBE-PL-7549-1
ACCOUNT NO. XXXXX9701

FOR THE PERIOD 10/01/10 THROUGH 09/30/11

PAGE 3

	CASH	COST
BEGINNING BALANCE	0.00	5,659.57
10/01/10 CASH RECEIPT OF INTEREST EARNED ON GOVERNMENT OVERNIGHTER INTEREST FROM 9/1/10 TO 9/30/10	0.58	
11/01/10 CASH RECEIPT OF INTEREST EARNED ON GOVERNMENT OVERNIGHTER INTEREST FROM 10/1/10 TO 10/31/10	0.62	
12/01/10 CASH RECEIPT OF INTEREST EARNED ON GOVERNMENT OVERNIGHTER INTEREST FROM 11/1/10 TO 11/30/10	0.65	
01/03/11 CASH RECEIPT OF INTEREST EARNED ON GOVERNMENT OVERNIGHTER INTEREST FROM 12/1/10 TO 12/31/10	0.42	
02/01/11 CASH RECEIPT OF INTEREST EARNED ON GOVERNMENT OVERNIGHTER INTEREST FROM 1/1/11 TO 1/31/11	0.60	
03/01/11 CASH RECEIPT OF INTEREST EARNED ON GOVERNMENT OVERNIGHTER INTEREST FROM 2/1/11 TO 2/28/11	0.47	
04/01/11 CASH RECEIPT OF INTEREST EARNED ON GOVERNMENT OVERNIGHTER INTEREST FROM 3/1/11 TO 3/31/11	0.36	
05/02/11 CASH RECEIPT OF INTEREST EARNED ON GOVERNMENT OVERNIGHTER INTEREST FROM 4/1/11 TO 4/30/11	0.10	
06/01/11 CASH RECEIPT OF INTEREST EARNED ON GOVERNMENT OVERNIGHTER INTEREST FROM 5/1/11 TO 5/31/11	0.07	
07/01/11 CASH RECEIPT OF INTEREST EARNED ON GOVERNMENT OVERNIGHTER INTEREST FROM 6/1/11 TO 6/30/11	0.06	

TRANSACTIONS

OSAGE TRIBE-PL-7549-1
ACCOUNT NO. XXXXX9701

FOR THE PERIOD 10/01/10 THROUGH 09/30/11

PAGE 4

	CASH	COST
08/01/11 CASH RECEIPT OF INTEREST EARNED ON GOVERNMENT OVERNIGHTER INTEREST FROM 7/1/11 TO 7/31/11	0.13	
09/01/11 CASH RECEIPT OF INTEREST EARNED ON GOVERNMENT OVERNIGHTER INTEREST FROM 8/1/11 TO 8/31/11	0.06	
GOVERNMENT OVERNIGHTER		
DAILY PURCHASES AND SALES OF THE OVERNIGHTER ARE SUMMARIZED FOR PURPOSES OF THIS REPORT. PURCHASES (12) 10/01/10 THROUGH 09/30/11		
SALES (0) 10/01/10 THROUGH 09/30/11	4.12-	4.12
	0.00	0.00
TOTAL GOVERNMENT OVERNIGHTER	4.12-	4.12
ENDING BALANCES	0.00	5,663.69
SUMMARY OF ACTIVITY FOR PERIOD		
TOTAL CASH RECEIPTS	4.12	0.00
TOTAL DISBURSEMENTS	0.00	0.00
TOTAL SECURITIES TRANSACTIONS	0.00	0.00
TOTAL ADJUSTMENTS	0.00	0.00
TOTAL MISCELLANEOUS	0.00	0.00

STATEMENT OF ACCOUNT
FOR THE PERIOD 9/ 1/11 THROUGH 9/30/11

OSAGE TRIBE-PL-7549-70-1
COMMENCEMENT MONEY AND OTHER DAMAGES
TO TRICAL TRUST LAND AS THE RESULT
OF DRILLING OPERATIONS 25 CFR 19

ACCOUNT NUMBER: XXXXX9701

OSAGE TRIBE OF OKLA-OTC (MINERALS)
ATTN: CHIEF FINANCIAL OFFICER
PO BOX 779
PAWHUSKA OK 74056

DIRECT ALL INQUIRIES TO: BRIAN ROSS
PHONE: 918.287.5791

ALTHOUGH MARKET VALUE SHOWN HAS BEEN OBTAINED FROM SOURCES WHICH
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WITH RESPECT TO THE PURCHASE OR SALE OF ANY SECURITY.

OSAGE TRIBE-PL-7549-1
 ACCOUNT NO. XXXXX9701

ASSET SUMMARY

AS OF 9/30/11

PAGE 1

ASSET CATEGORY	COST	PERCENT OF ACCOUNT AT MARKET	MARKET VALUE	UNREALIZED GAIN/LOSS (COST TO MKT)	ESTIMATED ANNUAL INCOME	INCOME YIELD AT COST
PRINCIPAL PORTFOLIO						
US TREASURY OVERNIGHTER	5,663.69	100.00 %	5,663.69	0.00	1	0.02 %
TOTAL ASSETS	5,663.69	100.00 %	5,663.69	0.00	1	0.02 %

LIST OF ASSETS

OSAGE TRIBE-PL-7549-1
ACCOUNT NO. XXXX9701

AS OF 9/30/11

PAGE 2

PAR VALUE OR SHARES	ASSET DESCRIPTION	COST	MARKET VALUE AND % OF ACCOUNT	UNREALIZED GAIN/LOSS (COST TO MKT)	ESTIMATED ANNUAL INCOME	INCOME YIELD AT COST
PRINCIPAL PORTFOLIO						
US TREASURY OVERNIGHTER						
5,663.6900	GOVERNMENT OVERNIGHTER 0.01% AVERAGE RATE FOR SEPT 2011 CUSIP: ST0001005	5,663.69	5,663.69 100.00 %	0.00	1	0.02 %
TOTAL ASSETS		5,663.69	5,663.69	0.00	1	0.02 %
			100.00 %			

TRANSACTIONS

OSAGE TRIBE-PL-7549-1
ACCOUNT NO. XXXXX9701

FOR THE PERIOD 09/01/11 THROUGH 09/30/11

PAGE 3

	CASH	COST
BEGINNING BALANCE	0.00	5,663.63
09/01/11 CASH RECEIPT OF INTEREST EARNED ON GOVERNMENT OVERNIGHTER INTEREST FROM 8/1/11 TO 8/31/11	0.06	
GOVERNMENT OVERNIGHTER		
<p>DAILY PURCHASES AND SALES OF THE OVERNIGHTER ARE SUMMARIZED FOR PURPOSES OF THIS REPORT. PURCHASES (1) 09/01/11 THROUGH 09/30/11 SALES (0) 09/01/11 THROUGH 09/30/11</p>		
TOTAL GOVERNMENT OVERNIGHTER	0.06-	0.06
ENDING BALANCES	0.00	5,663.69
SUMMARY OF ACTIVITY FOR PERIOD		
TOTAL CASH RECEIPTS	0.06	0.00
TOTAL DISBURSEMENTS	0.00	0.00
TOTAL SECURITIES TRANSACTIONS	0.00	0.00
TOTAL ADJUSTMENTS	0.00	0.00
TOTAL MISCELLANEOUS	0.00	0.00

STATEMENT OF ACCOUNT
FOR THE PERIOD 9/ 1/11 THROUGH 9/30/11
RESTORED FUNDS OSAGE TRIBE HOLDING
ACCOUNT - 7469

ACCOUNT NUMBER: XXXXX9700

OSAGE TRIBE OF OKLA-OTC (MINERALS)
ATTN: CHIEF FINANCIAL OFFICER
PO BOX 779
PAWUSKA OK 74056

DIRECT ALL INQUIRIES TO: BRIAN ROSS
PHONE: 918.287.5791

ALTHOUGH MARKET VALUE SHOWN HAS BEEN OBTAINED FROM SOURCES WHICH
WE BELIEVE TO BE RELIABLE, WE DO NOT GUARANTEE ITS ACCURACY, AND
IT MAY BE INCOMPLETE OR CONDENSED. THIS IS FOR INFORMATION
PURPOSES ONLY AND IS NOT INTENDED AS AN OFFER OR SOLICITATION
WITH RESPECT TO THE PURCHASE OR SALE OF ANY SECURITY.

ASSET SUMMARY

OSAGE TRIBE - 7469-70-0
ACCOUNT NO. XXXXX9700

AS OF 9/30/11

PAGE 1

ASSET CATEGORY	COST	PERCENT OF ACCOUNT AT MARKET	MARKET VALUE	UNREALIZED GAIN/LOSS (COST TO MKT)	ESTIMATED ANNUAL INCOME	INCOME YIELD AT COST
PRINCIPAL PORTFOLIO						
US TREASURY OVERNIGHTER	4,754.26	3.16 %	4,754.26	0.00	1	0.02 %
US GOVT SPONS ENTITY ISSUES	144,955.00	96.84 %	145,531.40	576.40	3,985	2.75 %
TOTAL ASSETS	149,709.26	100.00 %	150,285.66	576.40	3,986	2.66 %

LIST OF ASSETS

OSAGE TRIBE - 7469-70-0
ACCOUNT NO. XXXXX9700

AS OF 9/30/11

PAGE 2

PAR VALUE OR SHARES	ASSET DESCRIPTION	COST	MARKET VALUE AND % OF ACCOUNT	UNREALIZED GAIN/LOSS (COST TO MKT)	ESTIMATED ANNUAL INCOME	INCOME YIELD AT COST
PRINCIPAL PORTFOLIO						
US TREASURY OVERNIGHTER						
4,754.2600	GOVERNMENT OVERNIGHTER 0.01% AVERAGE RATE FOR SEPT 2011 CUSIP: ST0001005	4,754.26	4,754.26 3.16 %	0.00	1	0.02 %
US GOVT SPONS ENTITY ISSUES						
75,000.0000	2.000% FHLB STEP-UP DUE 8/20/25 CALLABLE 1X 8/20/13 CUSIP: 313370H76	74,955.00	75,327.00 50.12 %	372.00	1,500	2.00 %
70,000.0000	3.550% FNMA STEP-UP DUE 11/17/25 CALLABLE SEMI-ANNUALLY 11/17/11, TIL 11/17/20 STEPS TO A 4.50% 5YR BULLET CUSIP: 3136FPVM6	70,000.00	70,204.40 46.71 %	204.40	2,485	3.55 %
TOTAL US GOVT SPONS ENTITY ISSUES		144,955.00	145,531.40 96.84 %	576.40	3,985	2.75 %
TOTAL ASSETS		149,709.26	150,285.66	576.40	3,986	2.66 %
			100.00 %			

BOND MATURITY SCHEDULE

OSAGE TRIBE - 7469-70-0
ACCOUNT NO. XXXXX9700

AS OF 9/30/11

PAGE 3

	PAR VALUE	% OF TOTAL PAR VALUE	COST	% OF TOTAL COST
<u>INDIVIDUAL ISSUES</u>				
LESS THAN ONE YEAR	0	0.00 %	0.00	0.00 %
1 TO 3 YEARS	0	0.00 %	0.00	0.00 %
3 TO 5 YEARS	0	0.00 %	0.00	0.00 %
5 TO 7 YEARS	0	0.00 %	0.00	0.00 %
7 TO 10 YEARS	0	0.00 %	0.00	0.00 %
10+ YEARS	145,000	100.00 %	144,955.00	100.00 %
TOTAL BONDS	145,000	100.00 %	144,955.00	100.00 %

TRANSACTIONS

OSAGE TRIBE - 7469-70-0
ACCOUNT NO. XXXXX9700

FOR THE PERIOD 09/01/11 THROUGH 09/30/11

PAGE 4

	CASH	COST
BEGINNING BALANCE	0.00	149,709.21
09/01/11 CASH RECEIPT OF INTEREST EARNED ON GOVERNMENT OVERNIGHTER INTEREST FROM 8/1/11 TO 8/31/11	0.05	
GOVERNMENT OVERNIGHTER		
DAILY PURCHASES AND SALES OF THE OVERNIGHTER ARE SUMMARIZED FOR PURPOSES OF THIS REPORT. PURCHASES (1) 09/01/11 THROUGH 09/30/11 SALES (0) 09/01/11 THROUGH 09/30/11	0.05- 0.00	0.05 0.00
TOTAL GOVERNMENT OVERNIGHTER	0.05-	0.05
ENDING BALANCES	0.00	149,709.26
SUMMARY OF ACTIVITY FOR PERIOD		
TOTAL CASH RECEIPTS	0.05	0.00
TOTAL DISBURSEMENTS	0.00	0.00
TOTAL SECURITIES TRANSACTIONS	0.00	0.00
TOTAL ADJUSTMENTS	0.00	0.00
TOTAL MISCELLANEOUS	0.00	0.00

IF YOU HAVE ANY QUESTIONS,
 PLEASE CALL 888.678.6836
 TRUST BENEFICIARY CALL CENTER
 HOURS OF OPERATION:
 MONDAY - FRIDAY: 7:00AM - 6:00PM (MT)
 SATURDAY: 8:00AM - NOON (MT)

OSAGE TRIBE OF INDIANS
 PO BOX 779
 PAWUSKA OK 74056

ACCOUNT OF OSAGE TRIBE OF INDIANS
 XXXXXX7753

TRANSACTION ACTIVITY FOR ACCOUNTING PERIOD: 07/01/11 THROUGH 09/30/11

DATE	TRANSACTION DESCRIPTION	CASH
	BEGINNING BALANCES	16,866.63
07/06/11	CASH RECEIPT	55.20
	MONTHLY INCOME EARNED	
	JUN 2011 INCOME AT THE ANNUALIZED RATE OF 3.98%	
08/03/11	CASH RECEIPT	57.27
	MONTHLY INCOME EARNED	
	JUL 2011 INCOME AT THE ANNUALIZED RATE OF 3.98%	
08/29/11	CASH RECEIPT	16,503.89
	QUARTERLY ANNUITY	
	BB08T0060 Osage Annuity Payment, Annuity #07753	
09/06/11	CASH RECEIPT	62.85
	MONTHLY INCOME EARNED	
	AUG 2011 INCOME AT THE ANNUALIZED RATE OF 3.98%	
	ENDING BALANCES	33,545.84

THE BALANCE IN YOUR ACCOUNT IS INVESTED DAILY. REALIZED GAINS OR LOSSES MAY OCCUR IN THE FUND AS A RESULT OF REDEMPTION OF ASSETS PRIOR TO MATURITY. ANY GAIN OR LOSS IN THE FUND IS REFLECTED ABOVE IN YOUR MONTHLY INCOME EARNED IN THE ANNUALIZED RATE. IF THE BALANCE IN YOUR ACCOUNT GENERATES AT LEAST ONE CENT OF INCOME, THEN THE INCOME IS POSTED.

IF YOU HAVE ANY QUESTIONS,
 PLEASE CALL 888.678.6836
 TRUST BENEFICIARY CALL CENTER
 HOURS OF OPERATION:
 MONDAY - FRIDAY: 7:00AM - 6:00PM (MT)
 SATURDAY: 8:00AM - NOON (MT)

OSAGE TRB OF INDIANS FOR EDUCATION
 ACCOUNT OF OSAGE TRBE OF INDIANS FOR EDUCATION
 XXXXXX3264

PO BOX 779
 PAWUSKA OK 74056

TRANSACTION ACTIVITY FOR ACCOUNTING PERIOD: 07/01/11 THROUGH 09/30/11

DATE	TRANSACTION DESCRIPTION	CASH
	BEGINNING BALANCES	0.00
08/29/11	CASH RECEIPT QUARTERLY ANNUITY BB08T0060 Osage Annuity Payment, Annuity #13264	36,482.15
08/29/11	CASH DISBURSEMENT PAID TO OSAGE TRB OF INDIANS FOR EDUCATION PO BOX 779 PAWUSKA OK 74056 ACCOUNT BALANCE T/A CHECK # 21072024	-36,482.15
	ENDING BALANCES	0.00

THE BALANCE IN YOUR ACCOUNT IS INVESTED DAILY. REALIZED GAINS OR LOSSES MAY OCCUR IN THE FUND AS A RESULT OF REDEMPTION OF ASSETS PRIOR TO MATURITY. ANY GAIN OR LOSS IN THE FUND IS REFLECTED ABOVE IN YOUR MONTHLY INCOME EARNED IN THE ANNUALIZED RATE. IF THE BALANCE IN YOUR ACCOUNT GENERATES AT LEAST ONE CENT OF INCOME, THEN THE INCOME IS POSTED.

EXHIBIT 8

Determination of Need for Negotiated Rulemaking



United States Department of the Interior

BUREAU OF INDIAN AFFAIRS
Washington, DC 20240

OCT 06 2011

IN REPLY REFER TO:

From

Mike Black
Director, Bureau of Indian Affairs

Subject: Determination of Need for Negotiated Rulemaking on Leasing of Osage Lands for Oil and Gas Mining

In accordance with 5 U.S.C. § 563, I have determined that there is a need for regulatory negotiation with respect to the management of the Osage Mineral Estate currently addressed under 25 C.F.R. Part 226. After 11 years of litigation, the United States reached a settlement with the Osage Nation, Oklahoma (formerly known as the Osage Tribe) ("Osage Tribe") for alleged mismanagement of its oil and gas mineral estate, among other claims. As part of the Settlement Agreement, the parties agreed that it would be mutually beneficial "to address means of improving the trust management of the Osage Mineral Estate, the Osage Tribal Trust Account, and the Other Osage Accounts . . ." Settlement Agreement, Para. 1.i. During the course of negotiations it became apparent that a review of the existing standards and obligations in the governing regulations is necessary in order to better assist the Bureau of Indian Affairs in sharing and providing information regarding the Osage Mineral Estate to the Osage Minerals Council. Based on these circumstances and in an effort to avoid future litigation, if possible, I therefore conclude that there is a need for negotiated rulemaking. See 5 U.S.C. § 563(a)(1).

The regulations governing the Osage Mineral Estate (25 U.S.C. Part 226) currently apply only to the Osage Mineral Estate and the Osage Agency and do not have broader applicability. Thus, there are limited interest holders readily identifiable. See 5 U.S.C. § 563(a)(2). The governing tribal body that oversees the Osage Mineral Estate is the Osage Minerals Council, which is duly elected by Osage oil and gas Headright holders. Thus, due to the limited applicability of the current regulations and the limited interest holders at stake, "there is a reasonable likelihood that a committee can be convened with a balanced representation of persons who can adequately represent the interests." *Id.* § 563(a)(3)(A).

Moreover, given the settlement of the litigation and the express desire by the Osage Tribe and the Interior Department to proceed in good faith in addressing and improving administration and management of the Osage Mineral Estate as soon as practicable to avoid future litigation, I find that "there is a reasonable likelihood that a committee will reach a consensus on the proposed rule within a fixed period of time." *Id.* § 563(a)(3)(A) & (a)(4). Indeed, the Osage Tribe and the Interior Department have already identified some of the areas that need to be addressed as part of the negotiated rulemaking, including, but not limited to:

1. Identifying the appropriate information needed from all operators, purchasers and payers who are associated with the Osage mineral estate and developing and implementing standardized reporting to manage diligently production and accounting;
2. Identifying the source, manner, and format of transmission whereby the information required by Subsection 9(a) will be provided to the Osage Minerals Council;

3. Identifying appropriate revisions to the methods for calculating royalties and rentals for oil and gas, including but not limited to royalty rates, royalty value (pricing), and rental rates;
4. Identifying the best feasible practices for developing and conducting onsite inspection programs;
5. Identifying the feasibility of implementing technological enhancements for generating run tickets and other production data for reporting that information to the Osage Tribe and the United States;
6. Identifying the best feasible practices for gauging oil and gas production and the resources needed to implement the strategy selected;
7. Identifying and implementing the best feasible practices for tank battery gauging;
8. Determining and documenting the formal communication needed to manage diligently the Osage mineral estate between the Osage Nation, the Osage Minerals Council and the United States.

See § 563(a)(5). The existing agreement on these matters indicates that a negotiated rulemaking procedure will not unduly delay the proposed rulemaking or a final rule. Furthermore, the Bureau of Indian Affairs has the necessary resources it needs throughout the negotiated rulemaking process and I will ensure that the agency uses, to the maximum extent possible, the consensus of the committee with respect to development of a proposed rule for notice and comment. *Id.* § 563(a)(6), (7).

Based on the foregoing, the Osage Agency and the Office of the Solicitor are to proceed with a negotiated rulemaking related to the Osage Mineral Estate currently governed by 25 C.F.R. Part 226.

EXHIBIT 9

Letter regarding the Interior Department's annual audit



United States Department of the Interior
OFFICE OF THE SPECIAL TRUSTEE FOR AMERICAN INDIANS
Albuquerque, NM 87109



NOV 08 2010

Dear Accountholder:

The Independent Auditors' Report on Indian trust funds for fiscal year 2010 has been completed. The audited financial statements and auditors' report thereon have been issued by the Department of the Interior's Office of Inspector General. This annual audit is performed on the entirety of funds held in trust for tribal entities and individual Indians by the Department of the Interior and is not specifically an audit of any single account.

Copies of this report can be viewed and/or downloaded through the Office of the Special Trustee for American Indians' website located at www.doi.gov/ost/. A copy may also be obtained by calling the Office of the Special Trustee for American Indian's Trust Beneficiary Call Center toll free at 1-888-678-6836 and requesting a FY 2010 Financial Statement Audit Report. The Trust Beneficiary Call Center is also available if you have any questions regarding your account.

Sincerely,

Donna Erwin
Principal Deputy Special Trustee

Attached for Reference Purposes Only Is the Independent Auditors' Report on Indian Trust Funds for Fiscal Year 2010 That Was Referenced in Exhibit 9.

**TRIBAL AND OTHER TRUST FUNDS AND
INDIVIDUAL INDIAN MONIES TRUST FUNDS
MANAGED BY THE U.S. DEPARTMENT OF THE INTERIOR
OFFICE OF THE SPECIAL TRUSTEE FOR AMERICAN INDIANS**



ANNUAL REPORT 2010

**TRIBAL AND OTHER TRUST FUNDS AND
INDIVIDUAL INDIAN MONIES TRUST FUNDS
MANAGED BY THE U.S. DEPARTMENT OF THE INTERIOR
OFFICE OF THE SPECIAL TRUSTEE FOR AMERICAN INDIANS**

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Individual Indian Monies Trust Funds Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters	5

Letter from the Special Trustee

I am pleased to present Fiscal Year 2010 Tribal and Other Trust Funds and Individual Indian Monies Trust Funds audited financial statements for the funds that are managed by the Office of the Special Trustee for American Indians (OST). This letter provides information about our office's accomplishments in fulfillment of the Department of the Interior's fiduciary trust responsibilities.

At OST, our day-to-day work is guided by our Indian trust management mission statement — "to perform our fiduciary trust responsibilities to American Indian tribes, individual Indians, and Alaska Natives by incorporating a beneficiary focus and beneficiary participation while providing effective, competent stewardship and management of trust assets."

Interior's Comprehensive Trust Management Plan (CTM) guides and describes the vision, goals and objectives of fiduciary trust management and operations of the trust for all bureaus and offices within Interior. Achieving the goals in the plan will result in enhanced beneficiary services, reliable ownership information, and quality administrative services; improved management of all trust fund assets; and increased support for Indian self-governance and self-determination.

OST supports its goal to fulfill Indian fiduciary trust responsibilities by implementing the following strategies:

Improve Indian Fiduciary Trust Beneficiary Services by continuing to provide timely, accurate account performance statements and convenient access to trust account services; communicating with beneficiaries and facilitating beneficiary involvement in trust management.

Support Indian Self-Governance and Self-Determination by managing self-governance compacts and self-determination contracts for OST programs.

Improve Indian Trust Ownership and Other Information through prompt distribution of financial trust assets to heirs after the Office of Hearing and Appeals renders probate decisions and ensure accuracy of data maintained in offices and accounting systems.

Manage Trust Fund Assets for Timely and Productive Use through managing and investing funds held on behalf of individual Indians and Tribes and receipting, disbursing, and accounting for funds timely and accurately.

Improve Management of Land and Natural Resource Assets by providing appraisal information as requested on trust and restricted lands for tribal and individual Indian owners and exploring solutions

to reduce the number of fractionated ownership interests in land.

The following are a few of OST's FY2010 accomplishments that improved services to trust beneficiaries:

- Processed a total of \$543.7 million through the centralized commercial lockbox and posted 77.10 percent to beneficiaries' accounts within two days of receipt. Converted to a new lockbox contract.
- Disbursed more than \$814 million to individual Indian and tribal beneficiaries.
- Recovered addresses on 40 percent of the Whereabouts Unknown accounts identified as of October 1, 2009. This represented 33,697 accounts totaling \$28 million.
- Distributed funds for 8,061 completed probates which closed 10,168 estate accounts.
- Distributed \$1,271,320 Youpee Escheat funds.
- Assisted the Federal Indian Minerals Office with distribution of oil and gas royalties to trust beneficiaries in the amount of \$62,279.
- Mailed to beneficiaries who own assets more than 780,000 quarterly performance statements that provide sources of funds, encumbrance information (who is leasing their trust property, duration of the lease and payment terms) and listings of trust property owned.
- Provided tribal account statements on CD-ROM to approximately 100 tribes and provided tribes online account access.
- Continued to emphasize debit card and direct deposit options in lieu of paper checks, increasing the total number of account holders who have chosen these options to over 31,500.
- Handled over 233,000 beneficiary inquiries.
- Provided 3,747 outreach events to beneficiaries, which included wills clinics and financial skills training.
- Conducted 422 investment meetings with tribal representatives.
- Maintained Self-Governance and Self-Determination funding agreements with 38 tribes for the real estate appraisals and individual Indian beneficiary trust functions.
- Continued improvement of the Office of Appraisal Services' workload management. Reduced the appraisal backlog from 3,600 to 374, which is about 91 percent. Transmitted 11,852 appraisal products to clients throughout FY 2010.
- Moved 9,586 boxes of records to the American Indian Records Repository (AIRR). Indexed 13,249 boxes.
- Produced and distributed a video about the American Indian Records Repository.

- Supported the BIA Ft. Berthold Agency by researching oil and gas development activities, providing lease well production data to track producing wells, designing a field monitoring process for lease well management, developing business rules on surface use agreements and producing custom TAAMS oil and gas reports.
- Provided technical support for conversion of the Royalty Distribution and Reporting System (RDRS) to the TAAMS oil and gas royalty management module, including the implementation of a new simplified Explanation of Payments.
- Awarded the Cannon Financial Institute *Certified Indian Fiduciary Trust Specialist* designation to one BIA and twelve OST employees.
- Provided records management training to 611 BIA and OST records contacts and 309 tribal employees.
- Helped fund and support programs at the National Indian Programs Training Center, based in Albuquerque, New Mexico.
- Provided information to beneficiaries on their accounts and available services by producing and distributing brochures, statement inserts and promotional items that include OST contact information.
- Conducted 31 Indian Trust Evaluations (ITE) and issued 58 final ITE reports.
- Performed 47 records assessments and issued 45 record assessment reports to identify improvements to OST and BIA Records Management Programs.
- Developed an annual report for Congress, as required by the 1994 Act.
- The Trust Beneficiary Call Center (TBCC) used a tracking system to deploy an automated, streamlined, paperless (green initiative) process for one-time disbursements requested by beneficiaries from their IIM accounts. The process is used by TBCC and field staff to disburse an average of \$200-\$300,000 daily to 80 – 100 account holders, which has had a positive impact on processing efficiencies.
- Researched and corrected, as necessary, 101,846 beneficiary accounts in TFAS to ensure these accounts were correctly classified.
- Drafted an administrative procedure, based on Departmental policy, to launch/implement telework in 2011.
- Drafted an administrative procedure, based on Departmental policy, to launch a wellness program. Established a wellness site on OST's intranet.
- Hired a consultant to produce a new OST workforce plan to assess skill requirements.

- Finalized an administrative procedure to establish a student loan repayment program.

OST has improved service to trust beneficiaries even as we face challenges managing this unique trust. In keeping with the CTM, OST will pursue the following priorities during FY 2011:

1. Employee Engagement
 - Implement Telework
 - Enhance the Training Program
 - Improve Internal Communications
 - Assess Skill Requirements
 - Establish a Student Loan Repayment Program
2. Money Management
 - Implement Pay.gov
 - Partner with the Treasury for Direct Deposit of Treasury Disbursed Per Capita Payments
 - Establish and Implement a Short Term Investment Fund
 - Expand Use of Direct Deposit and Debit Cards
3. Project Data
 - Reconcile Discrepancy Reports
 - Establish TAAMS Reports Required by OST
 - Reconcile Post-conversion Issues of the TAAMS O&G System
 - Resolve Public Domain Property Issues
4. Automation
 - Enhance Imaging Capabilities
 - Minimize Manual Postings to the Trust Funds Accounting System (TFAS)
 - Enhance the Secure Trust Accounting Records System (STARS)
 - Pilot BIA Access to the Trust Beneficiary Call Center System
 - Implement Electronic Disbursements for Tribal Credit Payments
 - Provide IIM Beneficiaries Online Account Access
5. Geospatial
 - Funded a Geospatial Pilot Project

I hope you find this year's audited financial statements informative and useful. We welcome your help, comments or suggestions for continued improvement.



Donna M. Erwin
Principal Deputy Special Trustee



OFFICE OF
INSPECTOR GENERAL
U.S. DEPARTMENT OF THE INTERIOR

**INDEPENDENT AUDITORS' REPORTS
ON THE TRIBAL AND OTHER TRUST
FUNDS AND INDIVIDUAL INDIAN
MONIES TRUST FUNDS FINANCIAL
STATEMENTS FOR FY2010 AND
FY2009**



OFFICE OF
INSPECTOR GENERAL
U.S. DEPARTMENT OF THE INTERIOR

NOV 09 2010

Memorandum

To: Principal Deputy Special Trustee for American Indians

From: Mary L. Kendall *Mary L. Kendall*
Acting Inspector General

Subject: Independent Auditors' Report on the Tribal and Other Trust Funds and Individual Indian Monies Trust Funds Financial Statements for FY2010 and FY2009 (Report No. X-IN-OST-0005-2010)

Introduction

This memorandum transmits the KPMG LLP's (KPMG) auditors' reports of the Office of the Special Trustee for American Indians (OST) financial statements for fiscal years (FYs) 2010 and 2009. The OST financial reports contain financial statements and notes for Tribal and Other Trust Funds (Tribal) and Individual Indian Monies Trust Funds (IIM).

The American Indian Trust Fund Management Reform Act of 1994 requires audits of the Tribal and IIM financial statements. Under a contract issued by OST and monitored by the Office of the Inspector General (OIG), KPMG, an independent public accounting firm, performed audits of the OST FY2010 and FY2009 financial statements. The contract required that the audits be performed in accordance with auditing standards generally accepted in the United States of America and the "Government Auditing Standards" issued by the Comptroller General of the United States.

Results of Independent Audit

In its audit reports, dated November 8, 2010, KPMG issued qualified opinions on the Tribal and IIM financial statements because KPMG was unable to satisfy themselves as to the fairness of trust fund balances due to certain parties, for whom OST holds assets in trust disagreeing with the balances recorded by OST and/or having requested an accounting of their trust funds with certain of these parties having filed claims and a class action lawsuit against the United States Government.

Evaluation of KPMG Audit Performance

To fulfill our monitoring responsibilities, the OIG:

- reviewed KPMG's approach and planning of the audits;
- evaluated the qualifications and independence of the auditors;

- monitored the progress of the audits at key points;
- attended periodic meetings with OST management and KPMG to discuss audit progress, findings, and recommendations;
- reviewed KPMG's audit reports; and
- performed other procedures we deemed necessary.

KPMG is responsible for the attached auditors' reports dated November 8, 2010, and the conclusions expressed. We do not express an opinion on OST financial statements, internal controls, or compliance with laws and regulations.

Report Distribution

The legislation, as amended, creating the OIG requires semiannual reporting to Congress on all audit reports issued, actions taken to implement audit recommendations, and recommendations that have not been implemented. Therefore, we will include the information in the attachment in our next semiannual report. The distribution of the report is not restricted, and copies are available for public inspection.

The OIG appreciates the courtesies and cooperation extended to KPMG and our staff during this audit. If you have any questions regarding the report, please contact me at 202-208-5745.

Attachment



**TRIBAL AND OTHER TRUST FUNDS
MANAGED BY THE U.S. DEPARTMENT OF THE INTERIOR
OFFICE OF THE SPECIAL TRUSTEE FOR AMERICAN INDIANS**

Financial Statements

September 30, 2010 and 2009

(With Independent Auditors' Report Thereon)



KPMG LLP
Suite 700
Two Park Square
6565 Americas Parkway NE
PO Box 3990
Albuquerque, NM 87190

Independent Auditors' Report on Financial Statements

The Special Trustee for American Indians
U.S. Department of the Interior Office of the Special Trustee
for American Indians; and

U.S. Department of the Interior Office of Inspector General:

We have audited the accompanying statements of assets and trust fund balances – cash basis of the Tribal and Other Trust Funds managed by the U.S. Department of the Interior Office of the Special Trustee for American Indians (OST) as of September 30, 2010 and 2009, and the related statements of changes in trust fund balances – cash basis for the years then ended. These financial statements are the responsibility of management of OST. Our responsibility is to express an opinion on these financial statements based on our audits.

Except as discussed in the fourth paragraph of this report, we conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control over financial reporting of the Tribal and Other Trust Funds managed by OST. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As described in note 2, these financial statements were prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

It was not practicable to extend our auditing procedures sufficiently to satisfy ourselves as to the fairness of trust fund balances in the accompanying financial statements as of September 30, 2010 and 2009 due to the effects of certain parties for whom OST holds assets in trust disagreeing with balances recorded by OST and/or having requested an accounting of their trust funds, and of which certain of these parties have filed claims against the United States Government. Trust fund balances enter into the determination of financial position and changes in trust fund balances.

In our opinion, except for the effects on the financial statements of such adjustments, if any, as might have been determined to be necessary had we been able to apply adequate procedures to determine the fairness of trust fund balances and related changes in trust fund balances, as discussed in the preceding paragraph, the financial statements referred to in the first paragraph above present fairly, in all material respects, the financial position of the Tribal and Other Trust Funds managed by OST as of September 30, 2010 and 2009, and the changes in trust fund balances for the years then ended in conformity with the basis of accounting described in note 2.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 8, 2010 on our consideration of internal control over financial reporting and on our tests of Tribal and Other Trust Funds' compliance with certain provisions of laws, regulations and other matters of the Tribal and Other Trust Funds managed by OST. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in assessing the results of our audits.

KPMG LLP

November 8, 2010

**TRIBAL AND OTHER TRUST FUNDS
MANAGED BY THE U.S. DEPARTMENT OF THE INTERIOR
OFFICE OF THE SPECIAL TRUSTEE FOR AMERICAN INDIANS**

Statements of Assets and Trust Fund Balances – Cash Basis

September 30, 2010 and 2009

(In thousands)

Assets	2010	2009
Cash and cash equivalents (note 3)	\$ 526,516	378,630
Investments (note 4)	<u>2,574,319</u>	<u>2,718,999</u>
Total assets	<u>\$ 3,100,835</u>	<u>3,097,629</u>
Trust Fund Balances		
Held for Indian tribes (notes 7 and 9)	\$ 2,795,781	2,788,229
Held by the Department of the Interior and considered to be U.S. Government funds (note 7)	<u>305,054</u>	<u>309,400</u>
Total trust fund balances	<u>\$ 3,100,835</u>	<u>3,097,629</u>

See accompanying notes to financial statements.

**TRIBAL AND OTHER TRUST FUNDS
MANAGED BY THE U.S. DEPARTMENT OF THE INTERIOR
OFFICE OF THE SPECIAL TRUSTEE FOR AMERICAN INDIANS**

Statements of Changes in Trust Fund Balances – Cash Basis

Years ended September 30, 2010 and 2009

(In thousands)

	2010	2009
Increases:		
Receipts	\$ 413,032	437,898
Interest received on invested funds	118,441	122,091
Gain on disposition of investments, net	759	5,434
	532,232	565,423
Decreases:		
Disbursements to and on behalf of Indian tribes and other trust funds and withdrawal of trust funds by Indian tribes (note 9)	(529,026)	(470,966)
Increase in trust fund balances, net	3,206	94,457
Trust fund balances, beginning of year	3,097,629	3,003,172
Trust fund balances, end of year (notes 7 and 9)	\$ 3,100,835	3,097,629

See accompanying notes to financial statements.

**TRIBAL AND OTHER TRUST FUNDS
MANAGED BY THE U.S. DEPARTMENT OF THE INTERIOR
OFFICE OF THE SPECIAL TRUSTEE FOR AMERICAN INDIANS**

Notes to Financial Statements

September 30, 2010 and 2009

(1) Background and Description of the Trust Funds

(a) Overview of the Trust Funds

Establishment and Management of the Trust Funds – The legislation that authorizes the Secretary of the United States Department of the Interior (Secretary) to manage the Tribal and Other Trust Funds recognizes the unique trust relationship that exists between the Indian tribes, individual Indians, and the United States Government (U.S. Government). Agreements between the U.S. Government and the various Indian tribes, many of these in the form of treaties, recognize the sovereignty of tribes. During the course of the United States' history and the U.S. Government's evolving policies toward Indian tribes, the trust relationship has retained characteristics based upon tribal sovereignty. The United States Congress has designated the Secretary as the trustee delegate with responsibility for the financial and nonfinancial resources held in trust on behalf of American Indian tribes, individual Indians, and other trust funds. In carrying out the management and oversight of the Indian trust assets, the Secretary has a fiduciary responsibility to ensure monies are received for the use of Indian lands and the extraction of natural resources from Indian lands, distribute such monies collected to the appropriate beneficiaries, ensure that trust accounts are properly maintained and invested, and ensure that accurate and complete reports are provided to the trust beneficiaries in accordance with applicable law.

The balances that have accumulated in the Tribal and Other Trust Funds have resulted generally from judgment awards, settlement of claims, land use agreements, royalties on natural resource depletion, other proceeds derived directly from trust resources, and investment income.

The accompanying financial statements include only the financial assets held in trust by the Office of the Special Trustee for American Indians (OST) for trust beneficiaries and do not include: (i) the operating account balances of OST (e.g., Fund Balance with Treasury; Property, Plant, and Equipment; etc.) or (ii) other Indian trust assets, including but not limited to, Indian lands, buildings, or other nonfinancial assets managed by the United States Department of the Interior (the Department).

The Reform Act – The American Indian Trust Fund Management Reform Act of 1994 (Public Law 103-412) (the Reform Act) authorized the establishment of OST, which is headed by the Special Trustee for American Indians (Special Trustee) who reports to the Secretary. Under this legislation, the Special Trustee is responsible for oversight, reform, and coordination of the policies, procedures, systems, and practices used by various bureaus and offices of the Department, including but not limited to OST, the Bureau of Indian Affairs (BIA) (a component of Indian Affairs (IA)), the Office of Natural Resources Revenue (ONRR) (formerly, Minerals Management Service/Minerals Revenue Management Program), and the Bureau of Land Management (BLM), in managing Indian trust assets.

Office of the Special Trustee for American Indians – Indian trust assets, including the Tribal and Other Trust Funds, are primarily managed under the delegated authority of OST and BIA. Management of Indian trust assets on behalf of the trust beneficiaries is dependent upon the processing of trust-related transactions within certain information systems of the Department,

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including but not limited to OST, BIA, ONRR, and other Departmental bureaus and offices. BIA and other Departmental bureaus and offices are responsible for managing the natural resources located within the boundaries of Indian reservations and trust lands, as well as the processing of data regarding the ownership and leasing of Indian lands. The allocation of receipts and disbursements by OST to trust beneficiaries are significantly dependent and reliant upon the receipt of timely and accurate information derived from records maintained by BIA, ONRR, and other Departmental bureaus and offices (see note 8).

Regional Offices – OST and BIA maintain staff at regional offices located throughout the United States.

Agency and Field Offices – OST and BIA also maintain staff at agency and field offices located throughout the United States, which are generally located near the tribes and individual Indians served. OST and BIA personnel located at most of the agency and field offices perform various functions related to trust fund activities.

(b) Description of the Trust Funds

Certain of the Tribal and Other Trust Funds are subject to legal, regulatory, budgetary, court-ordered, or other restrictions (see note 7). A brief description of the Tribal and Other Trust Funds follows:

- **Tribal Trust Funds** – As of September 30, 2010 and 2009, approximately 2,800 and 2,700 accounts, respectively, comprise the Tribal Trust Funds, which totaled approximately \$2,795,781,000 and \$2,788,229,000, respectively.

Tribal Trust Funds realize receipts from a variety of sources, including judgment awards, settlement of claims, land use agreements, royalties on natural resource depletion, other proceeds derived directly from trust resources, and investment income.

- **Other Trust Funds** – Other Trust Funds are comprised of those funds classified as *Held by the Department of the Interior and considered to be U.S. Government funds* (see note 7). Other Trust Funds totaled approximately \$305,054,000 and \$309,400,000 as of September 30, 2010 and 2009, respectively.

Other Trust Funds realize receipts from a variety of sources including leases, rights-of-way, judgment awards, settlement of Indian claims, donations and bequests, and investment income.

(c) Investment of Trust Funds

Authorizing legislation and a substantial body of case law specify how Indian trust funds should be managed and which financial instruments constitute appropriate investments for Indian trust funds. The Tribal and Other Trust Funds are invested in U.S. Government securities, including U.S. Department of the Treasury (U.S. Treasury) issues, U.S. Government agency issues, and U.S. Government-sponsored entity issues.

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(2) Summary of Significant Accounting Policies

(a) *Basis of Accounting*

OST uses the cash basis of accounting for the Tribal and Other Trust Funds, which is a comprehensive basis of accounting other than generally accepted accounting principles. The cash basis of accounting differs from generally accepted accounting principles in that receivables and payables are not accrued and premiums and discounts on investments are not amortized or accreted. Receipts are recorded when received and disbursements are recorded when issued. Investments are stated at historical cost. Interest received on invested funds reported in the statements of changes in trust fund balances reflects interest received during the fiscal year.

(b) *Cash and Cash Equivalents*

Management considers all highly liquid financial instruments with maturities of three months or less when purchased to be cash equivalents.

(c) *Investments*

Investment securities at September 30, 2010 and 2009 consist of U.S. Treasury issues, U.S. Government agency issues, and U.S. Government-sponsored entity issues. Investment securities are recorded at historical cost. Investment income is recognized when received.

The Tribal and Other Trust Funds are invested in U.S. Government securities, as mandated by 25 USC 162a.

(d) *Fair Value Measurements*

Financial Accounting Standards Board's Accounting Standards Codification (ASC) Topic 820, *Fair Value Measurements and Disclosures* (ASC Topic 820), establishes an authoritative definition of fair value, sets out a framework for measuring fair value, and requires additional disclosures about fair value measurements. ASC Topic 820 applies only to fair value measurements already required or permitted by other accounting standards and does not impose requirements for additional fair value measures. Since the Tribal and Other Trust Funds use the cash basis of accounting (see note 2(a)), ASC Topic 820 only affects note disclosures related to fair value.

(e) *Receipts*

Receipts from various leasing activities, mineral royalties and sales of extracted minerals, timber and other forest products, fees and fines, and the granting of easements are generated from a variety of nonfinancial assets that are held in trust by the U.S. Government and managed by BIA and other Departmental bureaus and offices on behalf of tribes. Receipts on hand at the regional and agency offices, and/or in-transit at September 30, 2010 and 2009, if any, awaiting deposit to the U.S. Treasury, are not included in the accompanying financial statements.

Receipts also include payments from the U.S. Government for judgment awards and the settlement of claims.

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(f) Disbursements

Payments disbursed from the Tribal and Other Trust Funds consist of accumulations of funds from various income-producing activities such as leasing, royalty receipts, minerals extraction, timber and other forest product sales, judgment awards, settlement of claims, and investment income. Under certain conditions, tribes disburse or authorize disbursement of per capita payments to their enrolled members.

Public Law 103-412 specifically allows for the voluntary withdrawal of judgment awards and settlement of claims funds from the Tribal and Other Trust Funds. Except where prohibited by statute, an Indian tribe may submit a plan to withdraw some or all funds held in trust for the tribe in accordance with 25 CFR 1200.

(g) Use of Estimates

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets at the date of the financial statements and the reported amounts of increases and decreases in trust fund balances during the reporting period. Actual results could differ from those estimates.

(h) Subsequent Events

Subsequent events are evaluated by management through the date that the financial statements are available to be issued, which is November 8, 2010.

(3) Cash and Cash Equivalents

Cash equivalents of approximately \$523 million and \$375 million at September 30, 2010 and 2009, respectively, consist of overnight investments with the U.S. Treasury.

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(4) Investments

The historical cost, gross unrealized holding gains, gross unrealized holding losses, and fair value of investment securities by major class of security at September 30 were as follows (amounts exclude investments in U.S. Treasury overnight securities discussed in note 3):

	<u>Historical cost</u>	<u>Gross unrealized holding gains</u>	<u>Gross unrealized holding losses</u>	<u>Fair value</u>
	(In thousands)			
At September 30, 2010:				
U.S. Treasury and agency securities	\$ 2,128,385	86,763	(1,252)	2,213,896
U.S. Government entity issued mortgage-backed securities	<u>445,934</u>	<u>29,537</u>	<u>(11)</u>	<u>475,460</u>
	<u>\$ 2,574,319</u>	<u>116,300</u>	<u>(1,263)</u>	<u>2,689,356</u>
At September 30, 2009:				
U.S. Treasury and agency securities	\$ 2,273,851	63,139	(5,015)	2,331,975
U.S. Government entity issued mortgage-backed securities	<u>445,148</u>	<u>23,318</u>	<u>(892)</u>	<u>467,574</u>
	<u>\$ 2,718,999</u>	<u>86,457</u>	<u>(5,907)</u>	<u>2,799,549</u>

The investments above held by the Tribal and Other Trust Funds at September 30, 2010 and 2009 consist of fixed income securities, some of which are mortgaged-backed debt securities, issued by the U.S. Treasury, U.S. Government agencies, or U.S. Government-sponsored entities. All of these securities are either explicitly or implicitly backed by the U.S. Government. Given the backing by the U.S. Government, current market conditions have not had a significant adverse impact on the fair value of these securities.

Maturities of investment securities were as follows at September 30, 2010:

	<u>Historical cost</u>	<u>Fair value</u>
	(In thousands)	
Due in one year or less	\$ 241,925	244,130
Due after one year through five years	408,873	436,207
Due after five years through ten years	369,028	391,559
Due after ten years	<u>1,554,493</u>	<u>1,617,460</u>
	<u>\$ 2,574,319</u>	<u>2,689,356</u>

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(5) Fair Value Disclosure Measurements

ASC Topic 820 defines fair value as the price that would be received from the sale of an asset or paid to transfer a liability (an exit price) in an orderly transaction between market participants on the measurement date in the principal or most advantageous market for the asset or liability. For measuring fair value, ASC Topic 820 establishes a hierarchy that places the highest priority on unadjusted quoted market prices in active markets for identical assets or liabilities (Level 1 measurements), and the lowest priority on unobservable inputs (Level 3 measurements). The three levels of inputs within the fair value hierarchy are defined as follows:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the Tribal and Other Trust Funds have the ability to access as of the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3: Significant unobservable inputs that reflect the Tribal and Other Trust Funds' own assumptions about the assumptions that market participants would use in pricing an asset or liability.

In many cases, a valuation technique used to measure fair value includes inputs from multiple levels of the fair value hierarchy. The lowest level of significant input determines the placement of the entire fair value measurement in the hierarchy. All of the investment securities held by the Tribal and Other Trust Funds at September 30, 2010 and 2009 are valued using Level 2 inputs.

The carrying value of cash and cash equivalents reflected in the statements of assets and trust fund balances approximates fair value, which is valued using Level 1 inputs. The fair value of investment securities disclosed in note 4 represents the best estimate of prices that the securities could be sold for in the open market as of September 30, 2010 and 2009. Those fair values are measured using pricing services, pricing models, or broker quotes. Inputs into the pricing models include the securities' par values, interest rates and maturity dates. If broker quotes are used to value investment securities the fair value is estimated as the average of three broker quotes.

The fair value methods described above may produce fair value disclosures that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while management believes that the valuation methods used on the Tribal and Other Trust Funds are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the disclosed fair value of investment securities could result in a different fair value measurement at the reporting date.

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(6) Contingencies

Certain Indian tribes for whom OST holds assets in trust do not agree with balances recorded by OST and/or have requested an accounting of their trust funds, and certain of these Indian tribes have filed claims against the U.S. Government for failure to fulfill its fiduciary responsibilities and for other related items. Ninety-seven tribal trust cases, brought by sixty-six different tribes, currently are pending in various federal district courts and the U.S. Court of Federal Claims. The cases involve claims for trust fund and asset mismanagement, accounting, and other declaratory relief. A substantial number of the cases are stayed pending settlement negotiations or discovery. In addition, in many of these cases, the court does not have jurisdiction to grant monetary relief. Settlement offers have been made in a small percentage of the cases. Neither OST nor the Office of the Solicitor for the Department can presently determine the outcome of these actions nor the total amount, responsibility, and funding source of the potential liability. Any settlement resulting from an adverse outcome of the claims described above is not expected to be satisfied with trust fund balances. No amounts have been recorded in the accompanying Tribal and Other Trust Funds' financial statements for potential claims from the U.S. Government.

(7) Trust Fund Balances

Trust fund balances are the aggregation of financial assets held in trust and represent the amounts owed to beneficiaries as of September 30, 2010 and 2009 for which OST has a fiduciary responsibility.

The Tribal and Other Trust Funds contain the following trust fund balance categories for U.S. Government budget purposes, which are reflected as separate components in the accompanying financial statements:

- *Held for Indian tribes* – These represent funds held on behalf of Indian tribes. These funds are considered non-U.S. Government monies.
- *Held by the Department of the Interior and considered to be U.S. Government funds* – These represent funds, some of which will be transferred to the Held for Indian tribes category provided certain conditions are satisfied, and for others, the corpus of the fund may be nonexpendable. These funds are considered U.S. Government monies.

A portion of trust fund balances represents estimated payments on production-type leases for which certain tribes and individual Indians hold an interest. When certain adjustments to production are identified, estimated payments received in excess of production are returned to the depositor or adjusted for in future payments.

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(8) Related-Party Transactions with Other Government Organizations

(a) *U.S. Department of the Interior Bureau of Indian Affairs*

BIA is responsible for the collection of certain monies resulting from the management and use of Indian trust lands and other trust resources. Upon receipt, OST records the deposit of trust funds to trust accounts based on the information received from BIA.

(b) *U.S. Department of the Interior Office of Natural Resources Revenue*

For certain trust leases, ONRR is responsible for the collection of royalty payments on behalf of Indian tribes and individual Indians holding mineral rights. ONRR deposits the royalty payments with the U.S. Treasury and electronically transfers to OST the related accounting information, generally the next business day. The accounting information received from ONRR provides OST an allocation of 100% tribally owned lease royalties, enabling OST to record trust deposits directly into tribal accounts. For tribally/individually co-owned leases, allocation and accounting data is forwarded, generally twice a month, to OST via electronic interface through the Royalty Distribution Reporting System that is maintained by BIA. Pursuant to established procedure and appropriate authorization, the data is recorded by OST. ONRR and BLM both perform verification and other monitoring procedures of mineral assets. Oil and gas companies sometimes forward payments to ONRR based on estimated mineral production in order to comply with the Federal Oil and Gas Royalty Management Act of 1982 that requires timely distribution of royalties. These estimated payments may be disbursed by OST to the beneficiaries. Typically, the oil and gas companies adjust future payments for excess or shortfall amounts, if any, based on actual production.

(c) *Other*

The U.S. Treasury holds cash and certain investments and in certain instances disburses for OST.

The Department's Office of the Solicitor serves as legal counsel for OST.

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(9) Transfers of Trust Funds

Certain per capita disbursements authorized by tribes result in transfers from the Tribal and Other Trust Funds to the Individual Indian Monies (IIM) Trust Funds while certain oil and gas distributions may result in transfers to/from the IIM Trust Funds from/to the Tribal and Other Trust Funds. Net transfers of trust funds from the Tribal and Other Trust Funds to the IIM Trust Funds totaled approximately \$58.0 million and \$56.7 million during the years ended September 30, 2010 and 2009, respectively. These transfers are reflected as disbursements in the accompanying statements of changes in trust fund balances. In addition, pursuant to information provided by BIA, OST historically utilized special deposit accounts maintained within the IIM Trust Funds for both tribal and IIM beneficiaries as suspense accounts, whereby funds are temporarily posted when allocation information is not provided when the funds are received. Following receipt of allocation information from BIA, the funds are transferred from the special deposit accounts to the designated tribal and/or IIM account(s). Special deposit accounts totaled approximately \$24 million and \$29 million as of September 30, 2010 and 2009, respectively. The majority of the special deposit account monies held in the IIM Trust Funds relate to historical balances and has not been distributed because the ultimate disposition of the funds has not been determined. Since the ultimate disposition is unknown at September 30, 2010, the portion attributable to the Tribal and Other Trust Funds is unknown.



**INDIVIDUAL INDIAN MONIES TRUST FUNDS
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Financial Statements

September 30, 2010 and 2009

(With Independent Auditors' Report Thereon)



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Independent Auditors' Report on Financial Statements

The Special Trustee for American Indians
U.S. Department of the Interior Office of the Special Trustee
for American Indians; and

U.S. Department of the Interior Office of Inspector General:

We have audited the accompanying statements of assets and trust fund balances – modified cash basis of the Individual Indian Monies Trust Funds managed by the U.S. Department of the Interior Office of the Special Trustee for American Indians (OST) as of September 30, 2010 and 2009, and the related statements of changes in trust fund balances – modified cash basis for the years then ended. These financial statements are the responsibility of management of OST. Our responsibility is to express an opinion on these financial statements based on our audits.

Except as discussed in the fourth paragraph of this report, we conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control over financial reporting of the Individual Indian Monies Trust Funds managed by OST. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As described in note 2, these financial statements were prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

It was not practicable to extend our auditing procedures sufficiently to satisfy ourselves as to the fairness of trust fund balances in the accompanying financial statements as of September 30, 2010 and 2009 due to the effects of certain parties for whom OST holds assets in trust having filed a class action lawsuit for an accounting of the individuals' trust funds. Trust fund balances enter into the determination of financial position and changes in trust fund balances.

In our opinion, except for the effects on the financial statements of such adjustments, if any, as might have been determined to be necessary had we been able to apply adequate procedures to determine the fairness of trust fund balances and related changes in trust fund balances, as discussed in the preceding paragraph, the financial statements referred to in the first paragraph above present fairly, in all material respects, the financial position of the Individual Indian Monies Trust Funds managed by OST as of September 30, 2010 and 2009, and the changes in trust fund balances for the years then ended in conformity with the basis of accounting described in note 2.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 8, 2010 on our consideration of internal control over financial reporting and on our tests of Individual Indian Monies Trust Funds' compliance with certain provisions of laws, regulations, and other matters of the Individual Indian Monies Trust Funds managed by OST. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in assessing the results of our audits.

KPMG LLP

November 8, 2010

**INDIVIDUAL INDIAN MONIES TRUST FUNDS
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Statements of Assets and Trust Fund Balances – Modified Cash Basis

September 30, 2010 and 2009

(In thousands)

Assets	2010	2009
Cash and cash equivalents (note 3)	\$ 55,045	33,364
Investments (note 4)	412,391	420,535
Accrued interest receivable	2,983	3,210
Total assets	<u>\$ 470,419</u>	<u>457,109</u>
Trust Fund Balances		
Held for individual Indians (notes 7 and 9)	<u>\$ 470,419</u>	<u>457,109</u>

See accompanying notes to financial statements.

**INDIVIDUAL INDIAN MONIES TRUST FUNDS
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Statements of Changes in Trust Fund Balances -- Modified Cash Basis

Years ended September 30, 2010 and 2009

(In thousands)

	2010	2009
Increases:		
Receipts (note 9)	\$ 336,865	334,236
Interest earned on invested funds	19,677	20,792
Gain on disposition of investments, net	211	126
	356,753	355,154
Decreases:		
Disbursements to and on behalf of account holders	(343,443)	(342,234)
Increase in trust fund balances, net	13,310	12,920
Trust fund balances, beginning of year	457,109	444,189
Trust fund balances, end of year (notes 7 and 9)	\$ 470,419	457,109

See accompanying notes to financial statements.

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(1) Background and Description of the Trust Funds

(a) Overview of the Trust Funds

Establishment and Management of the Trust Funds – The legislation that authorizes the Secretary of the United States Department of the Interior (Secretary) to manage the Individual Indian Monies Trust Funds (IIM Trust Funds) recognizes the unique trust relationship that exists between the Indian tribes, individual Indians, and the United States Government (U.S. Government). Agreements between the U.S. Government and the various Indian tribes, many of these in the form of treaties, recognize the sovereignty of tribes. During the course of the United States' history and the U.S. Government's evolving policies toward individual Indians and Indian tribes, the trust relationship has retained characteristics based upon tribal sovereignty. The United States Congress has designated the Secretary as the trustee delegate with responsibility for the financial and nonfinancial resources held in trust on behalf of American Indian tribes, individual Indians, and other trust funds. In carrying out the management and oversight of the Indian trust assets, the Secretary has a fiduciary responsibility to ensure monies are received for the use of Indian lands and the extraction of natural resources from Indian lands, distribute such monies collected to the appropriate beneficiaries, ensure that trust accounts are properly maintained and invested, and ensure that accurate and complete reports are provided to the trust beneficiaries in accordance with applicable law.

The balances that have accumulated in the IIM Trust Funds have resulted generally from land use agreements, royalties on natural resource depletion, other proceeds derived directly from trust resources, receipt of judgment and tribal per capita distributions, settlement of claims, and investment income.

The accompanying financial statements include only the financial assets held in trust by the Office of the Special Trustee for American Indians (OST) for trust beneficiaries and do not include: (i) the operating account balances of OST (e.g., Fund Balance with Treasury; Property, Plant, and Equipment; etc.) or (ii) other Indian trust assets, including but not limited to, Indian lands, buildings, or other nonfinancial assets managed by the United States Department of the Interior (the Department).

The Reform Act – The American Indian Trust Fund Management Reform Act of 1994 (Public Law 103-412) (the Reform Act) authorized the establishment of OST, which is headed by the Special Trustee for American Indians (Special Trustee) who reports to the Secretary. Under this legislation, the Special Trustee is responsible for oversight, reform, and coordination of the policies, procedures, systems, and practices used by various bureaus and offices of the Department, including but not limited to OST, the Bureau of Indian Affairs (BIA) (a component of Indian Affairs (IA)), the Office of Natural Resources Revenue (ONRR) (formerly, Minerals Management Service/Minerals Revenue Management Program), and the Bureau of Land Management (BLM), in managing Indian trust assets.

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Office of the Special Trustee for American Indians – Indian trust assets, including the IIM Trust Funds, are primarily managed under the delegated authority of OST and BIA. Management of Indian trust assets on behalf of the trust beneficiaries is dependent upon the processing of trust-related transactions within certain information systems of the Department, including but not limited to OST, BIA, ONRR, and other Departmental bureaus and offices. BIA and other Departmental bureaus and offices are responsible for managing the natural resources located within the boundaries of Indian reservations and trust lands as well as the processing of data regarding the ownership and leasing of Indian lands. The allocation of receipts and disbursements by OST to trust beneficiaries are significantly dependent and reliant upon the receipt of timely and accurate information derived from records maintained by BIA, ONRR, and other Departmental bureaus and offices (see note 8).

Regional Offices – OST and BIA maintain staff at regional offices located throughout the United States.

Agency and Field Offices – OST and BIA also maintain staff at agency and field offices located throughout the United States, which are generally located near the tribes and individual Indians served. OST and BIA personnel located at most of the agency and field offices perform various functions related to trust fund activities.

(b) Description of the Trust Funds

The IIM Trust Funds are comprised of approximately 381,000 and 384,000 accounts, held primarily for the benefit of individual Indian account holder beneficiaries and tribal entities, as of September 30, 2010 and 2009, respectively. Included within the IIM Trust Funds are certain special deposit accounts that are subject to legal, regulatory, budgetary, court-ordered, or other restrictions that may ultimately result in funds being distributed to tribal and/or other entities.

The IIM Trust Funds are primarily funds on deposit for individual Indians with a beneficial interest in those funds. IIM account holders realize receipts primarily from land use agreements, royalties on natural resource depletion, other proceeds derived directly from trust resources, judgment and tribal per capita distributions, settlement of claims, and investment income.

(c) Investment of Trust Funds

Authorizing legislation and a substantial body of case law specify how Indian trust funds should be managed and which financial instruments constitute appropriate investments for Indian trust funds. The IIM Trust Funds are pooled and invested in U.S. Government securities, including U.S. Department of the Treasury (U.S. Treasury) issues, U.S. Government agency issues, and U.S. Government-sponsored entity issues.

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(2) Summary of Significant Accounting Policies

(a) *Basis of Accounting*

OST uses the cash basis of accounting with certain modifications for the IIM Trust Funds, which is a comprehensive basis of accounting other than generally accepted accounting principles. Receipts are recorded when received with the exception of interest earned on invested funds (including discount accretion and premium amortization), and disbursements are recorded when issued. Investments are stated at amortized cost. Accrual adjustments to reflect interest earned but not received, and to record any applicable accretion of discounts and amortization of premiums over the terms of the investments, have been recorded in the accompanying financial statements. Interest income reported in the statements of changes in trust fund balances reflects interest earned, net of any premium amortization or discount accretion recognized during the fiscal year.

(b) *Cash and Cash Equivalents*

Management considers all highly liquid financial instruments with maturities of three months or less when purchased to be cash equivalents.

(c) *Investments*

Investment securities at September 30, 2010 and 2009 consist of U.S. Treasury issues, U.S. Government agency issues, and U.S. Government-sponsored entity issues. IIM Trust Funds are pooled and invested. Investment securities are recorded at amortized cost, adjusted for the amortization or accretion of premiums or discounts. Premiums and discounts are amortized or accreted over the expected life of the related investment security as an adjustment to yield using the effective-interest method. Investment income is recognized when earned.

The IIM Trust Funds are invested in U.S. Government securities, as mandated by 25 USC 162a.

(d) *Fair Value Measurements*

Financial Accounting Standards Board's Accounting Standards Codification (ASC) Topic 820, *Fair Value Measurements and Disclosures* (ASC Topic 820), establishes an authoritative definition of fair value, sets out a framework for measuring fair value, and requires additional disclosures about fair value measurements. ASC Topic 820 applies only to fair value measurements already required or permitted by other accounting standards and does not impose requirements for additional fair value measures. Since the IIM Trust Funds use the cash basis of accounting with certain modifications (see note 2(a)), ASC Topic 820 only affects note disclosures related to fair value.

(e) *Receipts*

Receipts from various leasing activities, mineral royalties and sales of extracted minerals, timber and other forest products, fees and fines, and the granting of easements are generated from a variety of nonfinancial assets that are held in trust by the U.S. Government and managed by BIA and other Departmental bureaus and offices on behalf of individual Indians. Receipts on hand at the regional

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and agency offices, and/or in-transit at September 30, 2010 and 2009, if any, awaiting deposit to the U.S. Treasury, are not included in the accompanying financial statements.

Receipts also include payments from the U.S. Government for judgment awards and the settlement of claims.

(f) Disbursements

Payments disbursed from the IIM Trust Funds consist of accumulations of funds from various income-producing activities such as leasing, royalty receipts, mineral extraction, timber and other forest product sales, judgment awards, tribal per capita distributions, settlement of claims, and investment income.

(g) Use of Estimates

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets at the date of the financial statements and the reported amounts of increases and decreases in trust fund balances during the reporting period. Actual results could differ from those estimates.

(h) Subsequent Events

Subsequent events are evaluated by management through the date that the financial statements are available to be issued, which is November 8, 2010.

(3) Cash and Cash Equivalents

Cash equivalents of approximately \$42 million and \$28 million at September 30, 2010 and 2009, respectively, consist of overnight investments with the U.S. Treasury.

**INDIVIDUAL INDIAN MONIES TRUST FUNDS
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(4) Investments

The amortized cost, gross unrealized holding gains, gross unrealized holding losses, and fair value of investment securities by major class of security at September 30 were as follows (amounts exclude investments in U.S. Treasury overnight securities discussed in note 3):

	<u>Amortized cost</u>	<u>Gross unrealized holding gains</u>	<u>Gross unrealized holding losses</u>	<u>Fair value</u>
	(In thousands)			
September 30, 2010:				
U.S. Treasury and agency securities	\$ 237,648	13,711	(75)	251,284
U.S. Government entity issued mortgage-backed securities	<u>174,743</u>	<u>12,308</u>	<u>—</u>	<u>187,051</u>
	<u>\$ 412,391</u>	<u>26,019</u>	<u>(75)</u>	<u>438,335</u>
September 30, 2009:				
U.S. Treasury and agency securities	\$ 224,563	6,275	(6)	230,832
U.S. Government entity issued mortgage-backed securities	<u>195,972</u>	<u>10,591</u>	<u>—</u>	<u>206,563</u>
	<u>\$ 420,535</u>	<u>16,866</u>	<u>(6)</u>	<u>437,395</u>

The investments above held by the IIM Trust Funds at September 30, 2010 and 2009 consist of fixed income securities, some of which are mortgaged-backed debt securities, issued by the U.S. Treasury, U.S. Government agencies, or U.S. Government-sponsored entities. All of these securities are either explicitly or implicitly backed by the U.S. Government. Given the backing by the U.S. Government, current market conditions have not had a significant adverse impact on the fair value of these securities.

Maturities of investment securities were as follows at September 30, 2010:

	<u>Amortized cost</u>	<u>Fair value</u>
	(In thousands)	
Due in one year or less	\$ —	—
Due after one year through five years	20,041	20,522
Due after five years through ten years	85,072	89,869
Due after ten years	<u>307,278</u>	<u>327,944</u>
	<u>\$ 412,391</u>	<u>438,335</u>

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MANAGED BY THE U.S. DEPARTMENT OF THE INTERIOR
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(5) Fair Value Disclosure Measurements

ASC Topic 820 defines fair value as the price that would be received from the sale of an asset or paid to transfer a liability (an exit price) in an orderly transaction between market participants on the measurement date in the principal or most advantageous market for the asset or liability. For measuring fair value, ASC Topic 820 establishes a hierarchy that places the highest priority on unadjusted quoted market prices in active markets for identical assets or liabilities (Level 1 measurements), and the lowest priority on unobservable inputs (Level 3 measurements). The three levels of inputs within the fair value hierarchy are defined as follows:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the IIM Trust Funds have the ability to access as of the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3: Significant unobservable inputs that reflect the IIM Trust Funds' own assumptions about the assumptions that market participants would use in pricing an asset or liability.

In many cases, a valuation technique used to measure fair value includes inputs from multiple levels of the fair value hierarchy. The lowest level of significant input determines the placement of the entire fair value measurement in the hierarchy. All of the investment securities held by the IIM Trust Funds at September 30, 2010 and 2009 are valued using Level 2 inputs.

The carrying value of cash and cash equivalents and accrued interest receivable reflected in the statements of assets and trust fund balances approximates fair value, which is valued using Level 1 inputs. The fair value of investment securities disclosed in note 4 represents the best estimate of prices that the securities could be sold for in the open market as of September 30, 2010 and 2009. Those fair values are measured using pricing services, pricing models, or broker quotes. Inputs into the pricing models include the securities' par values, interest rates and maturity dates. If broker quotes are used to value investment securities the fair value is estimated as the average of three broker quotes.

The fair value methods described above may produce fair value disclosures that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while management believes that the valuation methods used on the IIM Trust Funds are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the disclosed fair value of investment securities could result in a different fair value measurement at the reporting date.

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(6) Contingencies

Certain parties for whom OST holds funds in trust filed a class action lawsuit in 1996, seeking an accounting of their individual trust funds. Although plaintiffs sought \$58 billion from the District Court in lieu of the accounting, the District Court awarded them \$456 million. However, in July 2009 the Court of Appeals reversed and vacated that judgment. The plaintiffs may seek to have the case reviewed by the United States Supreme Court. On December 7, 2009, Attorney General Eric Holder and Interior Secretary Kenneth Salazar announced that the parties had reached a \$3.4 billion settlement subject to Congressional approval. The current deadline for the Congressional approval of the settlement is January 7, 2011. Neither the settlement, nor any future judgment award, should the settlement fail to achieve Congressional approval, is expected to be satisfied with individual trust funds. No amounts have been recorded in the accompanying IIM Trust Funds' financial statements for potential claims from the U.S. Government.

(7) Trust Fund Balances

Trust fund balances are the aggregation of financial assets held in trust and primarily represent the amounts owed to beneficiaries as of September 30, 2010 and 2009 for which OST has a fiduciary responsibility.

The subsidiary detail of IIM account balances contains approximately 11,000 special deposit accounts with balances totaling approximately \$24 million and \$29 million as of September 30, 2010 and 2009, respectively. The majority of the special deposit account monies held in the IIM Trust Funds relates to historical balances and has not been allocated because the allocation information for the funds has not been provided by BIA. Since the ultimate allocation is unknown at September 30, 2010, the portion attributable to the IIM Trust Funds is unknown.

The subsidiary detail of IIM account balances contains certain oil and gas holding accounts with balances totaling approximately \$17.5 million and \$7.7 million as of September 30, 2010 and 2009, respectively, which have not been distributed to beneficiaries. Upon receipt of the allocation and accounting data, to be provided by ONRR and BIA, the monies will be distributed to the proper beneficiaries' accounts (see note 8).

A portion of trust fund balances represents estimated payments on production-type leases for which certain individual Indians and tribes hold an interest. When certain adjustments to production are identified, estimated payments received in excess of production are returned to the depositor or adjusted for in future payments.

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(8) Related-Party Transactions with Other Government Organizations

(a) U.S. Department of the Interior Bureau of Indian Affairs

BIA is responsible for the collection of certain monies resulting from the management and use of Indian trust lands and other trust resources. Upon receipt, OST records the deposit of trust funds to trust accounts based on the information received from BIA.

(b) U.S. Department of the Interior Office of Natural Resources Revenue

For certain trust leases, ONRR is responsible for the collection of royalty payments on behalf of Indian tribes and individual Indians holding mineral rights. ONRR deposits the royalty payments with the U.S. Treasury and electronically transfers to OST the related accounting information, generally the next business day. For tribally/individually co-owned leases and individually owned leases, the allocation and accounting data to distribute the monies to the proper IIM account is forwarded, generally twice a month, to OST via electronic interface through the Royalty Distribution Reporting System that is maintained by BIA. Pursuant to established procedure and appropriate authorization, the data is recorded by OST. ONRR and BLM both perform verification and other monitoring procedures of mineral assets. Oil and gas companies sometimes forward payments to ONRR based on estimated mineral production in order to comply with the Federal Oil and Gas Royalty Management Act of 1982 that requires timely distribution of royalties. These estimated payments may be disbursed by OST to the beneficiaries. Typically, the oil and gas companies adjust future payments for excess or shortfall amounts, if any, based on actual production.

(c) Other

The U.S. Treasury holds cash and certain investments and in certain instances disburses for OST.

The Department's Office of the Solicitor serves as legal counsel for OST.

(9) Transfers of Trust Funds

Certain per capita disbursements authorized by tribes result in transfers from the Tribal and Other Trust Funds to the IIM Trust Funds while certain oil and gas distributions may result in transfers to/from the IIM Trust Funds from/to the Tribal and Other Trust Funds. Net transfers of trust funds to the IIM Trust Funds from the Tribal and Other Trust Funds totaled approximately \$58.0 million and \$56.7 million during the years ended September 30, 2010 and 2009, respectively. These transfers are reflected as receipts in the accompanying statements of changes in trust fund balances. In addition, pursuant to information provided by BIA, OST historically utilized special deposit accounts (see note 7) maintained within the IIM Trust Funds for both tribal and IIM beneficiaries as suspense accounts, whereby funds are temporarily posted when allocation information is not provided when the funds are received. Following receipt of allocation information from BIA, the funds are transferred from the special deposit accounts to the designated tribal and/or IIM account(s).



**TRIBAL AND OTHER TRUST FUNDS
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Independent Auditors' Report on Internal Control over
Financial Reporting and on Compliance and Other Matters

September 30, 2010



KPMG LLP
Suite 700
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6565 Americas Parkway NE
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Albuquerque, NM 87190

Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters

The Special Trustee for American Indians
U.S. Department of the Interior Office of the Special Trustee for American Indians; and
U.S. Department of the Interior Office of Inspector General:

We have audited the statements of assets and trust fund balances -- cash basis of the Tribal and Other Trust Funds as of September 30, 2010 and 2009, and the related statements of changes in trust fund balances -- cash basis for the years then ended, managed by the U.S. Department of the Interior Office of the Special Trustee for American Indians (OST), and have issued our report thereon dated November 8, 2010. The objective of our audit was to express an opinion on the fair presentation of the Tribal and Other Trust Funds Financial Statements. In connection with our fiscal year 2010 audit, we also considered internal control over financial reporting for the Tribal and Other Trust Funds managed by OST and tested compliance with certain provisions of applicable laws and regulations that could have a direct and material effect on the Tribal and Other Trust Funds Financial Statements.

Summary

Our audit report on the Tribal and Other Trust Funds Financial Statements was qualified because it was not practicable to extend our auditing procedures sufficiently to satisfy ourselves as to the fairness of trust fund balances in the Tribal and Other Trust Funds Financial Statements as of September 30, 2010 and 2009 due to the effects of certain tribal parties for whom OST holds assets in trust disagreeing with the balances recorded by OST, and/or having requested an accounting of their trust funds, and of which certain of these parties have filed, or are expected to file, claims against the United States Government. Trust fund balances enter into the determination of financial position and changes in trust fund balances.

Our audit report states that the Tribal and Other Trust Funds Financial Statements are prepared in accordance with a basis of accounting that is a comprehensive basis of accounting other than generally accepted accounting principles, as described in note 2 to the Tribal and Other Trust Funds Financial Statements.

Our consideration of internal control over financial reporting was not designed to identify all deficiencies in the internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. However, we did not identify any deficiencies in internal control over financial reporting that we consider to be significant deficiencies or material weaknesses as defined in the Internal Control over Financial Reporting section of this report.

The results of our tests of compliance with certain provisions of laws and regulations disclosed no instances of noncompliance or other matters that are required to be reported herein under *Government Auditing Standards*, issued by the Comptroller General of the United States.

The following sections present an overview of the Tribal and Other Trust Funds Financial Statements, and discuss our consideration of internal control over financial reporting for the Tribal and Other Trust Funds managed by OST, our tests of compliance with certain provisions of applicable laws and regulations for the Tribal and Other Trust Funds managed by OST, and management's and our responsibilities.

Overview – Tribal and Other Trust Funds Financial Statements

The United States Congress has designated the Secretary of the United States Department of the Interior (the Secretary) as the trustee delegate with responsibility for the financial and nonfinancial resources held in trust on behalf of American Indian tribes and other trust funds. In carrying out the management and oversight of the Indian trust assets, the Secretary has a fiduciary responsibility to ensure monies are received for the use of Indian lands and the extraction of natural resources from Indian lands, distribute such monies collected to the appropriate beneficiaries, ensure that trust accounts are properly maintained and invested, and ensure that accurate and complete reports are provided to the trust beneficiaries in accordance with applicable law.

The American Indian Trust Fund Management Reform Act of 1994 (Public Law 103-412) (the Reform Act) authorized the establishment of OST, which is headed by the Special Trustee for American Indians (Special Trustee) who reports to the Secretary. Under this legislation, the Special Trustee is responsible for oversight, reform, and coordination of the policies, procedures, systems, and practices used by various bureaus and offices of the Department of the Interior (Department), including but not limited to OST, the Bureau of Indian Affairs (BIA) (a component of Indian Affairs (IA)), the Office of Natural Resources Revenue (ONRR), formerly known as Minerals Management Service Minerals Revenue Management Program, and the Bureau of Land Management (BLM), in managing Indian trust assets.

The Tribal and Other Trust Funds are dependent upon the processing of trust-related transactions within certain information systems of the Department, including but not limited to OST, BIA, ONRR, and other Departmental bureaus and offices. BIA and other Departmental bureaus and offices are responsible for managing the natural resources located within the boundaries of Indian reservations and trust lands as well as the processing of data regarding the ownership and leasing of Indian lands. The allocation and distribution of receipts and disbursements by OST to trust beneficiaries are significantly dependent and reliant upon the receipt of timely and accurate information derived from records maintained by BIA, ONRR, and other Departmental bureaus and offices.

Internal Control over Financial Reporting

Our consideration of the internal control over financial reporting was for the limited purpose described in the Responsibilities section of this report and was not designed to identify all deficiencies in the internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A significant deficiency is a deficiency, or combination of deficiencies in internal control, that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. A material weakness is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the financial statements will not be prevented or detected and corrected in a timely basis.

In our fiscal year 2010 audit, we did not identify any deficiencies in internal control over financial reporting that we consider to be significant deficiencies or material weaknesses as defined above. Exhibit I to this report presents the status of prior year significant deficiencies reported.

We did however note certain other matters that we have reported to OST management in a separate letter dated November 8, 2010.

Compliance and Other Matters

The results of our tests of compliance as described in the Responsibilities section of this report disclosed no instances of noncompliance or other matters that are required to be reported herein under *Government Auditing Standards*.

We did however note certain other matters that we have reported to OST management in a separate letter dated November 8, 2010.

Responsibilities

Management's Responsibilities

The Reform Act requires that the Secretary shall cause to be conducted an annual audit on a fiscal year basis of all funds held in trust by the U.S. Government for the benefit of an Indian tribe that are deposited or invested pursuant to the Act of June 24, 1938 (25 U.S.C. 162a).

Management is responsible for the Tribal and Other Trust Funds Financial Statements, including:

- Preparing the financial statements in conformity with the basis of accounting described in note 2 to the Tribal and Other Trust Funds Financial Statements;
- Establishing and maintaining effective internal control; and
- Complying with laws and regulations applicable to the Tribal and Other Trust Funds managed by OST.

Auditors' Responsibilities

Our responsibility is to express an opinion on the fiscal year 2010 and 2009 Tribal and Other Trust Funds Financial Statements based on our audit. Except as discussed in the fourth paragraph of our auditors' report, we conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control over financial reporting of the Tribal and Other Trust Funds managed by OST. Accordingly, we express no such opinion.

An audit also includes:

- Examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements;
- Assessing the accounting principles used and significant estimates made by management; and
- Evaluating the overall financial statement presentation.

We believe that our audit provides a reasonable basis for our opinion.

In planning and performing our fiscal year 2010 audit, we considered internal control over financial reporting for the Tribal and Other Trust Funds managed by OST by obtaining an understanding of the internal controls, determining whether internal controls had been placed in operation, assessing control risk, and performing tests of controls as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements. We limited our internal control testing to those controls necessary to achieve the objectives described in *Government Auditing Standards*. We did not test all internal controls relevant to operating objectives as broadly defined by the *Federal Managers' Financial Integrity Act of 1982*. The objective of our audit was not to provide an opinion on internal control over financial reporting for the Tribal and Other Trust Funds managed by OST. Accordingly, we do not express an opinion on the effectiveness of the Tribal and Other Trust Funds' internal control over financial reporting.

As part of obtaining reasonable assurance about whether the fiscal year 2010 Tribal and Other Trust Funds Financial Statements are free of material misstatement, we tested compliance with certain provisions of laws and regulations for the Tribal and Other Trust Funds managed by OST, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. We limited our tests of compliance to the provisions described in the preceding sentence, and we did not test compliance with all laws and regulations applicable to the Tribal and Other Trust Funds managed by OST. However, providing an opinion on compliance with laws and regulations was not an objective of our audit, and accordingly, we do not express such an opinion.

* * * * *

This report is intended solely for the information and use of the Department's management, the U.S. Department of the Interior Office of Inspector General, Office of Management and Budget, the U.S. Government Accountability Office, and the U.S. Congress, and is not intended to be and should not be used by anyone other than these specified parties.

KPMG LLP

November 8, 2010

**TRIBAL AND OTHER TRUST FUNDS
MANAGED BY THE U.S. DEPARTMENT OF THE INTERIOR
OFFICE OF THE SPECIAL TRUSTEE FOR AMERICAN INDIANS**

Status of Prior Year Findings, Reported as of September 30, 2009

September 30, 2010

<u>Reference</u>	<u>Condition</u>	<u>Current Year Status</u>
OST-2009-A	Unresolved Financial Reporting Matters from Prior Periods	Removed. Remaining unresolved financial reporting matters from prior periods are no longer considered significant deficiencies.



**INDIVIDUAL INDIAN MONIES TRUST FUNDS
MANAGED BY THE U.S. DEPARTMENT OF THE INTERIOR
OFFICE OF THE SPECIAL TRUSTEE FOR AMERICAN INDIANS**

Independent Auditors' Report on Internal Control over
Financial Reporting and on Compliance and Other Matters

September 30, 2010



KPMG LLP
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Two Park Square
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PO Box 3990
Albuquerque, NM 87190

Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters

The Special Trustee for American Indians
U.S. Department of the Interior Office of the Special Trustee for American Indians; and
U.S. Department of the Interior Office of Inspector General:

We have audited the statements of assets and trust fund balances – modified cash basis of the Individual Indian Monies Trust Funds (IIM Trust Funds) as of September 30, 2010 and 2009, and the related statements of changes in trust fund balances – modified cash basis for the years then ended, managed by the U.S. Department of the Interior Office of the Special Trustee for American Indians (OST), and have issued our report thereon dated November 8, 2010. The objective of our audit was to express an opinion on the fair presentation of the IIM Trust Funds Financial Statements. In connection with our fiscal year 2010 audit, we also considered internal control over financial reporting for the IIM Trust Funds managed by OST and tested compliance with certain provisions of applicable laws and regulations that could have a direct and material effect on the IIM Trust Funds Financial Statements.

Summary

Our audit report on the IIM Trust Funds Financial Statements was qualified because it was not practicable to extend our auditing procedures sufficiently to satisfy ourselves as to the fairness of trust fund balances in the IIM Trust Funds Financial Statements as of September 30, 2010 and 2009 due to the effects of certain parties for whom OST holds financial assets in trust having filed a class action lawsuit for an accounting of the individuals' trust funds. Trust fund balances enter into the determination of financial position and changes in trust fund balances.

Our audit report states that the IIM Trust Funds Financial Statements are prepared in accordance with a basis of accounting that is a comprehensive basis of accounting other than generally accepted accounting principles, as described in note 2 to the IIM Trust Funds Financial Statements.

Our consideration of internal control over financial reporting was not designed to identify all deficiencies in the internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. However, we did not identify any deficiencies in internal control over financial reporting that we consider to be significant deficiencies or material weaknesses as defined in the Internal Control over Financial Reporting section of this report.

The results of our tests of compliance with certain provisions of laws and regulations disclosed no instances of noncompliance or other matters that are required to be reported herein under *Government Auditing Standards*, issued by the Comptroller General of the United States.

The following sections present an overview of the IIM Trust Funds Financial Statements, and discuss our consideration of internal control over financial reporting for the IIM Trust Funds managed by OST, our tests of compliance with certain provisions of applicable laws and regulations for the IIM Trust Funds managed by OST, and management's and our responsibilities.

Overview – IIM Trust Funds Financial Statements

The United States Congress has designated the Secretary of the United States Department of the Interior (the Secretary) as the trustee delegate with responsibility for the financial and nonfinancial resources held in trust on behalf of individual Indians. In carrying out the management and oversight of the Indian trust assets, the Secretary has a fiduciary responsibility to ensure monies are received for the use of Indian lands and the extraction of natural resources from Indian lands, distribute such monies collected to the appropriate beneficiaries, ensure that trust accounts are properly maintained and invested, and ensure that accurate and complete reports are provided to the trust beneficiaries in accordance with applicable law.

The American Indian Trust Fund Management Reform Act of 1994 (Public Law 103-412) (the Reform Act) authorized the establishment of OST, which is headed by the Special Trustee for American Indians (Special Trustee) who reports to the Secretary. Under this legislation, the Special Trustee is responsible for oversight, reform, and coordination of the policies, procedures, systems, and practices used by various bureaus and offices of the Department of the Interior (Department), including but not limited to OST, the Bureau of Indian Affairs (BIA) (a component of Indian Affairs (IA)), the Office of Natural Resources Revenue (ONRR), formerly known as Minerals Management Service Minerals Revenue Management Program, and the Bureau of Land Management (BLM), in managing Indian trust assets.

The IIM Trust Funds are dependent upon the processing of trust-related transactions within certain information systems of the Department, including but not limited to OST, BIA, ONRR, and other Departmental bureaus and offices. BIA and other Departmental bureaus and offices are responsible for managing the natural resources located within the boundaries of Indian reservations and trust lands as well as the processing of data regarding the ownership and leasing of Indian lands. The allocation and distribution of receipts and disbursements by OST to trust beneficiaries are significantly dependent and reliant upon the receipt of timely and accurate information derived from records maintained by BIA, ONRR, and other Departmental bureaus and offices.

Internal Control over Financial Reporting

Our consideration of the internal control over financial reporting was for the limited purpose described in the Responsibilities section of this report and was not designed to identify all deficiencies in the internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A significant deficiency is a deficiency, or combination of deficiencies in internal control, that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. A material weakness is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the financial statements will not be prevented or detected and corrected on a timely basis.

In our fiscal year 2010 audit, we did not identify any deficiencies in internal control over financial reporting that we consider to be significant deficiencies or material weaknesses as defined above. Exhibit I to this report presents the status of prior year significant deficiencies reported.

We did however note certain other matters that we have reported to OST management in a separate letter dated November 8, 2010.

Compliance and Other Matters

The results of our tests of compliance as described in the Responsibilities section of this report disclosed no instances of noncompliance or other matters that are required to be reported herein under *Government Auditing Standards*.

We did however note certain other matters that we have reported to OST management in a separate letter dated November 8, 2010.

Responsibilities

Management's Responsibilities

The Reform Act requires that the Secretary shall cause to be conducted an annual audit on a fiscal year basis of all funds held in trust by the U.S. Government for the benefit of an individual Indian that are deposited or invested pursuant to the Act of June 24, 1938 (25 U.S.C. 162a).

Management is responsible for the IIM Trust Funds Financial Statements, including:

- Preparing the financial statements in conformity with the basis of accounting described in note 2 to the IIM Trust Funds Financial Statements;
- Establishing and maintaining effective internal control; and
- Complying with laws and regulations applicable to the IIM Trust Funds managed by OST.

Auditors' Responsibilities

Our responsibility is to express an opinion on the fiscal year 2010 and 2009 IIM Trust Funds Financial Statements based on our audit. Except as discussed in the fourth paragraph of our auditors' report, we conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control over financial reporting of the IIM Trust Funds managed by OST. Accordingly, we express no such opinion.

An audit also includes:

- Examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements;
- Assessing the accounting principles used and significant estimates made by management; and
- Evaluating the overall financial statement presentation.

We believe that our audit provides a reasonable basis for our opinion.

In planning and performing our fiscal year 2010 audit, we considered internal control over financial reporting for the IIM Trust Funds managed by OST by obtaining an understanding of the internal controls, determining whether internal controls had been placed in operation, assessing control risk, and performing tests of controls as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements. We limited our internal control testing to those controls necessary to achieve the objectives described in *Government Auditing Standards*. We did not test all internal controls relevant to operating objectives as broadly defined by the *Federal Managers' Financial Integrity Act of 1982*. The objective of our audit was not to provide an opinion on internal control over financial reporting for the IIM Trust Funds managed by OST. Accordingly, we do not express an opinion on the effectiveness of the IIM Trust Funds' internal control over financial reporting.

As part of obtaining reasonable assurance about whether the fiscal year 2010 IIM Trust Funds Financial Statements are free of material misstatement, we tested compliance with certain provisions of laws and regulations for the IIM Trust Funds managed by OST, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. We limited our tests of compliance to the provisions described in the preceding sentence, and we did not test compliance with all laws and regulations applicable to the IIM Trust Funds managed by OST. However, providing an opinion on compliance with laws and regulations was not an objective of our audit, and accordingly, we do not express such an opinion.

* * * * *

This report is intended solely for the information and use of the Department's management, the U.S. Department of the Interior Office of Inspector General, Office of Management and Budget, the U.S. Government Accountability Office, and the U.S. Congress, and is not intended to be and should not be used by anyone other than these specified parties.

KPMG LLP

November 8, 2010

**INDIVIDUAL INDIAN MONIES TRUST FUNDS
MANAGED BY THE U.S. DEPARTMENT OF THE INTERIOR
OFFICE OF THE SPECIAL TRUSTEE FOR AMERICAN INDIANS**

Status of Prior Year Findings, Reported as of September 30, 2009

September 30, 2010

<u>Reference</u>	<u>Condition</u>	<u>Current Year Status</u>
OST-2009-A	Unresolved Financial Reporting Matters from Prior Periods	Removed. Remaining unresolved financial reporting matters from prior periods are no longer considered significant deficiencies.