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Exploring - Shareholder's Preferences

This is your paper. It is designed to serve you. Thus, we as a Minerals Council want your input on many facets of its content. We are certain you want to know what the highest posted price is, as well as "Payment". The economy and politics all factor in to the climate of what oil will do.

One thing is certain, when you hear those pump-jacks echo on a still night you know it is the sound of sweet crude that has put a roof over our heads, food on our tables and clothes on our children.

In the past newsletters were generated to the shareholder's/annuitants by the BIA. This Minerals Council believes you have a right to know directly from us exactly what is happening in the Osage.

To have a voice and to receive this Quarterly publication in the future we ask you to complete the stamped postcard enclosed and mail it back. You will not receive another newsletter unless you do! Why? The BIA protects your privacy. This first issue was sent by BIA using the confidential list on file.

In order to compile our own database it is necessary for you to tell us who you are.

On the postcard there are two boxes indicating two choices. Check the one you prefer:

- I prefer to receive my newsletter by mail.
 Save the Council Postage – here is my email address: _____

We would still like to know your current mailing address in order to notify you of special events or important issues. We will never give out your information without your written consent.

Last, please list on the card, the news and information most important to you that you would like to see covered in the newsletter.

You are our constituents; we value your insight, concerns and interest. If you have concerns or questions, our contact information is on page 3. Our office staff is also there to serve you from 8:00A.M. to 4:30P.M. (CST)

Reception: 918-287-5346

Office Manager/Trust Clerk: 918-287-5433

Miya McKim - > mmckim@osagetribe.org

Minerals Technician: 918-287-5359

Reta Lintner - > rlintner@osagetribe.org



OIL -GAS -
Production!

Solutions For a
New Economy

Long before the oil beneath our feet was pumped to the surface, our people had an economy based on trade, hunting and gathering. Today, it is about a world economy that translates to oil prices rising and falling with political whims and Wall Street whims.

OSAGE PRODUCERS

continue to court the Minerals Council with the latest technologies available some highly secret and spoken about only in Executive Session...so when you listen to the Minerals Council on a webcast don't dismay that we are keeping things from you, we are not, we are allowing the new players and sometimes the old dogs let us in on the latest gadgets that make them desirable in the quest for cheap oil.

OMC SCHOLARSHIPS

AVAILABLE FOR 2011

DEADLINE DATES

FALL SEMESTER-JULY 1

SPRING SEMESTER-

DECEMBER 31-2010

PREFERRED FIELD OF STUDY

OIL INDUSTRY RELATED

TWO \$1,000 AWARDS PER

SEMESTER-TO APPLY

CONTACT 918-287-5433 OR

DOWNLOAD THE

INFORMATION FROM THE

WEBSITE. APPLY EARLY!

It was Boone in June!

Protection of the Minerals Estate is foremost in Councilwoman Cynthia Boone's mind. The agenda is simple; uphold the 1906 Act and our heritage is protected. Intervention in the diminishment of that Act is primary

Cynthia became involved with Osage politics when she retired and faithfully attended Tribal Council meetings. She was encouraged to run for office.

If there is one message she would like to send to her constituents it is that, "It is an honor to have served as your elected official from 2006 – 2010 and a greater honor to have been the only incumbent re-elected having received the most votes. It is difficult however, to state it in one message. I believe in honesty, accountability and an open door policy. It is with great humility that I continue to serve to protect the interests of the OSAGE headright owner. Thank you for voting Boone in June.

Pawhuska, Oklahoma is Cynthia's hometown where she lives on the same allotment property that has been in her family for generations. She is married to Tom Boone and they have two sons; Her eldest, Tom Jr. who serves on the local School Board and Daniel who is serving his first term in the Osage Nation Congress. She also has a Granddaughter by her eldest son. Look for the next featured member of the Council. Chairman Dudley Whitehorn, in the 2011 first quarterly issue coming in February.

CHAIRMAN'S QUARTERLY REPORT



THE BARREL-BOTTOM LINE

August 11, 2010

Osage Shareholders:

Payment for the third quarter (September, 2010) will be \$7,320.00 per headright! Your payment was based on total revenue of \$16,325,432.00 for the second quarter production and collections. (\$16,325,432.00 divided by 2,228,97393 head-rights equals \$7,320.00 rounded back to the nearest \$5.00).

The following are amounts broken out to show major details of the \$16,325,432.00.

Oil and Tank Bottoms production for the second quarter was: 1,179,160.57 gross barrels or 186,268.22 royalty barrels with oil revenue of \$14,276,913.15. The average price per barrel of oil was \$76.65.

Gas production for the second quarter was: 3,298,442 gross M.C.F. or 577,640 royalty M.C.F. and 2, 249,051 gallons. Total gas revenue for second quarter was \$2,157,716.40.

Sand and Gravel royalty for second quarter was \$95,597.77.

Oil & Gas Bonuses collected for second quarter was \$640,240.00.

Water use royalty for second quarter was \$34,987.42.

Interest earned for second quarter was \$74,828.21.

Miscellaneous revenue for second quarter was \$37,201.72

Miscellaneous disbursements for second quarter were \$70,321.19.

Gross Production Tax to be paid to the State of Oklahoma for second quarter production is \$821,731.48.

Budget drawdown for C-395 operating expenses for second half of 2010 was \$100,000.00.

Sincerely,
Dudley Whitehorn, Chairman
Osage Minerals Council

Data for this report is provided from and compiled by Jim D.Swan, the Minerals Council Auditor. He is responsible for ensuring our accounts are maintained in strict accordance with Federal law. Jim is also responsible for preparing Monthly Oil and Gas Production Reports. Most importantly he calculates the Quarterly Payment.



Upcoming

RESOLUTION: Bear- letter to Chief in regards to Restoration of the 1906 Act.
2nd: Cynthia Boone - Roll Call: Yes-7 No-1 (Yates)-Resolution Passed

MOTION: YATES-Hire an attorney for legal advice as soon as possible.
2nd- Sonny Abbot - ROLL CALL: Yes- 8 No-0 - MOTION PASSED

RESOLUTION: Bear
To Support the Jech, et. al. v. United States, et. al. Case No. 09-CV-818-TCK-TLW(N.D. Okla.) by donating up to \$50,000.00 as needed from the S-510 account. - **SECOND:** Cynthia Boone
ROLL CALL: Abstained – 1(Whitehorn) Yes – 4 (Core,Boone, RedEagle, Bear No -3 (Crum, Yates, Abbott)
RESOLUTION PASSED

1906 ACT
CHAIR – Cu
Member – C
Member – G

GOVERNMI
CHAIR – Gal
Member – Me
Member – An

SCHOLARSHI
CHAIR – Melvir
Member – Cynth
Member – Myron

WELL PLUGGING
CHAIR – Andrew Yates
Member – Melvin Core
Member – Myron F. RedE

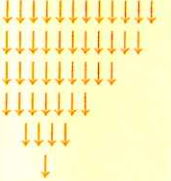
BUDGET
CHAIR – Joseph B. 'Sonny' Abbot
Member – Curtis O. Bear
Member – Andrew Yates

NEWSLETTER
CHAIR – Myron
Member – Cynth
Member – Curtis
Member – Galen

TRUST TEAM
CHAIR – Councilman Dudley Whitehorn
Member – Chief John D. RedEagle
Member – Councilman Galen Crum
Member – Councilwoman Cynthia Boone
Member – Congresswoman – Jerri Jean Branstette

Events →

STEP IN THE RIGHT DIRECTION COMMITTEE'S FORMED FOR PROGRESS & ACTION



PROBATION
Melvin Core
Cynthia Boone
Galen Crum

ASSISTANT
Melvin Core
Andrew Yates

Myron Red Eagle


Myron Red Eagle



BUREAU OF INDIAN AFFAIRS
Osage Agency

P.O. Box 1539
813 Grandview
Pawhuska, OK
74056
(918) 287-5710
Fax (918) 287-5784

To be held at 1:00 p.m. in conjunction with
the OSAGE OIL AND GAS SUMMIT
Crowne Plaza Hotel, 100 East 2nd Street,
Tulsa, Oklahoma 74103



**2010 SCHEDULE
OIL AND GAS LEASE SALE
SALE NO. 10**

Nomination of Tracts End	September 10, 2010
Sales Bulletin Mailing Date	October 1, 2010
Lease Sale No. 10	October 27, 2010

That until otherwise decided by the Osage Minerals Council, after December 19, 2007, the minimum acceptable terms for mineral leases on the Osage Reservation shall include a primary term of eighteen (18) months, and a bonus payment of not less than the following and the minimum acceptable royalty for all type of leases shall be twenty per cent (20%):

- \$17.00 per acre for oil leases (\$2,720 per quarter-section),
- \$16.00 per acre for gas leases minus coal bed methane gas (\$2,560 per quarter-section),
- \$22.00 per acre for oil and gas leases minus CBM (\$3,520 per quarter-section),
- \$10.00 per acre for coal bed methane leases (\$1,600 per quarter-section),
- \$27.00 per acre for oil leases with coal bed methane (\$4,320 per quarter-section),
- \$26.00 per acre for gas leases with coal bed methane (\$4,160 per quarter-section), and
- \$32.00 per acre for oil and gas leases including coal bed methane (\$5,120 per quarter-section)

Pursuant to the Code of Federal Regulations Title 25 Part 226.2 Sale of Leases (a) Written application, together with any nomination fee, for tracts to be offered for lease shall be filed with the Superintendent.

THEREFORE, submit the written nomination letter to the above address and submit the 10% nomination fee of the above amount for the type of lease specified and mail to:

OSAGE AGENCY - BIA
DEPT C155
P.O. BOX 9000,
FARMINGTON, MO 63640-3819

NOTE: All nominations with the appropriate nominating fee must be in the Branch of Minerals by the close of business on the day indicated. For further information or questions regarding the above, please contact the Branch of Minerals at (918) 287-5710.

EYE ON IT
What you need to know

- Contact Numbers:**
- >Chairman Whitehorn
918-766-1736
jdwsage@windstream.net
 - >Joseph B. Sonny Abbott, Jr.
918-381-9583
joeabbott@windstream.net
 - >Curtis O. Bear
918-766-1736
officecurtisbear@yahoo.com
 - >Cynthia J. Boone
918-698-3314
tom@cowboy.net
 - >Melvin Core
918-331-7511
mineralscouncil@osage-tribe.org
 - >Galen Crum
785-822-4148
Galen.crum@galencrum.com
 - >Myron F. Red Eagle
918-625-5386
m.redeagle@sbcglobal.net
 - >Andrew Yates
andrewyates@live.com

- BIA – OSAGE AGENCY**
- Superintendent Melissa Currey
918-287-5700
- Office of the Special Trustee IIM
918-287-5790
- Probate
918-287-5750
- DEPT. OF INTERIOR**
- Office of the Solicitor
918-669-7730

MINERAL COUNCIL ON THE WEB ↓

<http://www.osage-tribe.com/mineral/>

Osage Oil & Gas Summit & Prospect Expo
October 27, 28, 29, 2010 – Crowne Plaza Hotel
100 East 2nd Street, Tulsa, OK 74103

Pre-Registration: \$75.00 On Site Registration: \$100.00 Please make checks payable and mail to: Osage Oil & Gas Summit & Prospect Expo P.O. Box 779, Pawhuska, OK 74056

√ Please check off all food functions that you will be attending:

- I will attend reception on Oct. 27
- I will attend continental breakfast on Oct. 28
- I will attend luncheon on Oct. 28
- I will attend dinner on Oct. 28
- I will attend breakfast on Oct. 29

• For Hotel Reservations & Special Rates, Call: 918-582-9000

Be sure to mention Osage Oil & Gas Summit and Prospect Expo for The Special Rate:

- Single/double - \$81.00 Plus Tax
- Triple - \$99.00 Plus Tax
- Quad - \$109.00 Plus Tax

Osage Minerals Council

P.O. Box 779
Pawhuska, OK 74056



OSAGE MINERALS COUNCIL BEGINS THE BUSINESS OF PROTECTING THE SHAREHOLDERS INTERESTS AND UPHOLDING THE 1906 ACT.

The voters voiced their decision loudly with only a single incumbent retained to her seat. Councilwoman Cynthia Boone reflects on her personal commitment to our heritage and preservation of the minerals estate.

See: It was Boone in June!,
(on page two)

SECOND OSAGE MINERALS COUNCIL- INAUGURATION JULY 7, 2010

TOP ROW: Galen Crum – Myron Red Eagle – Chairman Dudley Whitehorn - Andrew Yates

BOTTOM: Melvin Core – Cynthia Boone – Curtis O. Bear – Joseph B. 'Sonny' Abbot