

SandRidge Related-Party Land Transactions

January 2013



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THE PARTICIPANTS HAVE FILED WITH THE SEC A DEFINITIVE CONSENT STATEMENT AND ACCOMPANYING CONSENT CARD TO BE USED TO SOLICIT WRITTEN CONSENTS FROM THE STOCKHOLDERS OF THE ISSUER IN CONNECTION WITH TPG-AXON'S INTENT TO TAKE CORPORATE ACTION BY WRITTEN CONSENT. ALL STOCKHOLDERS OF THE ISSUER ARE ADVISED TO READ THE DEFINITIVE CONSENT STATEMENT AND OTHER DOCUMENTS RELATED TO THE SOLICITATION OF WRITTEN CONSENTS BY THE PARTICIPANTS FROM STOCKHOLDERS OF THE ISSUER BECAUSE THEY CONTAIN IMPORTANT INFORMATION, INCLUDING ADDITIONAL INFORMATION RELATED TO THE PARTICIPANTS. THE DEFINITIVE CONSENT STATEMENT AND ACCOMPANYING CONSENT CARD HAVE BEEN FURNISHED TO SOME OR ALL OF THE ISSUER'S STOCKHOLDERS AND ARE, ALONG WITH OTHER RELEVANT DOCUMENTS, AVAILABLE AT NO CHARGE ON THE SEC'S WEB SITE AT [HTTP://WWW.SEC.GOV](http://www.sec.gov). IN ADDITION, TPG-AXON WILL PROVIDE COPIES OF THE DEFINITIVE CONSENT STATEMENT AND ACCOMPANYING CONSENT CARD WITHOUT CHARGE UPON REQUEST.

INFORMATION ABOUT THE PARTICIPANTS AND A DESCRIPTION OF THEIR DIRECT OR INDIRECT INTERESTS BY SECURITY HOLDINGS IS CONTAINED IN THE DEFINITIVE CONSENT STATEMENT ON SCHEDULE 14A FILED BY TPG-AXON WITH THE SEC ON JANUARY 18, 2013. THIS DOCUMENT CAN BE OBTAINED FREE OF CHARGE FROM THE SOURCES INDICATED ABOVE.

SandRidge Related-Party Land Transactions

- **SandRidge claims TPG-Axon has** *“engaged in a false and misleading campaign and “consent solicitation” filled with half-truths and unsubstantiated statements regarding management, the Board and the Company. TPG-Axon has repeatedly made inflammatory and false statements with one simple goal – they want to distract you from the facts regarding SandRidge and its strategy for creating value...”*
- **Most of the observations we have made about, and criticism we have directed at, the company are based on publicly available facts – the performance of the company’s stock, financial performance of the company, and actions taken by the company**
- **Therefore, presumably, management objects to allegations we have raised regarding related-party transactions that we believe have damaged shareholder interests**
- **As a result, we are sharing with all shareholders some of the facts that support our concerns regarding “the facts regarding SandRidge and its strategy for creating value”**
- **We believe the management and Board of Directors of any company – including SandRidge – should have one overriding objective...creating value for shareholders**
- **As a general business principle, we believe it is inappropriate and unethical for any management to compete with the shareholders they are paid to serve**
- **In the case of SandRidge, our examination of the facts regarding related party transactions and competition cause us enormous concern, and lead us to question whether company management and resources are focused exclusively on building shareholder value, or instead have also been used for the benefit of others, even sometimes in direct competition with the company**

SandRidge Related-Party Land Transactions

- **The primary business of the company, as espoused by management, has been the acquisition and development of mineral rights in the areas of the Mississippian Lime formation, in various parts of Oklahoma and Kansas**
 - *“Over the last several years, your Board and management team have taken strategic actions to transform SandRidge into the leading operator in the Mississippian Lime play of northern Oklahoma and western Kansas. These actions have established SandRidge as an industry leader in what is widely considered to be one of the most valuable oil-rich basins in the United States.”*
 - *“While the Mississippian formation in Oklahoma and Kansas had been developed with vertically drilled wells for many decades, its potential had gone largely unnoticed and untapped until the Company quietly and inexpensively leased millions of acres, which it is now aggressively developing. As results were realized by the Company in the play, large independent producers and major integrated multinational companies turned their attention to the area and invested significant amounts of their own capital, driving up acreage costs after the Company had completed the large bulk of its planned acreage purchases.”*
- **The company clearly states that the Mississippian is now (after repeated shifts in strategy over the past five years) the primary focus of the company**
- **The company notes the importance of “quietly and inexpensively” acquiring mineral rights before others start “driving up acreage costs”, suggesting that the acquisition of mineral rights as quietly and inexpensively as possible is important to creating value for shareholders**
- **Is it not obvious, then, that companies or entities that repeatedly acquired mineral rights in similar areas at similar times would be obvious competitors to SandRidge? Particularly if they often moved ahead of SandRidge in identifying attractive land and mineral rights? And particularly if they then sold those rights to other large, well-financed rival energy companies? Or even to SandRidge itself?**
- **If such a competitor were none other than the CEO’s family, shouldn’t stockholders be deeply concerned?**

What SandRidge has already disclosed...

- **SandRidge has disclosed certain transactions between SandRidge and entities related to Tom Ward and the Ward family, including TLW Land & Cattle and WCT Resources**
- **TLW Land & Cattle LP – “an entity in which Mr. Ward has an ownership interest”**
 - From the 2012 proxy: *“We own wells on certain areas of land in northwest Oklahoma under which TLW Land & Cattle LP (“TLW LC”), an entity in which Mr. Ward has an ownership interest, owns a royalty interest. In 2011, we paid royalties totaling \$925,735 to TLW-LC in connection with the production of oil and natural gas from these properties.”*
- **WCT Resources – “a limited liability company owned by trusts established for the benefit of Mr. Ward’s children”**
 - From the 2012 proxy: *“In January 2011, we purchased a portion of the working interest in leases covering acreage in northeast Oklahoma from WCT Resources, L.L.C., a limited liability company formed in 2002 and owned by trusts established in 1989 for the benefit of Mr. Ward’s children (“WCT”), for \$391,955. WCT also participates as a working interest owner in wells we operate in northwest Oklahoma, and during 2011, we paid revenue of \$168,196 to WCT as a working interest owner.”*
- **Since 2008, SandRidge has disclosed \$9.5 million of payments to entities related to Tom Ward and the Ward family**
 - \$3.9 million to TLW Land & Cattle
 - \$5.6 million to WCT Resources

...but what they have NOT disclosed is startling

➤ **Company disclosures have been limited**

- In order to better understand the related party transactions of SandRidge, we engaged investigators to gather additional information for us
- To obtain this information, it was necessary to directly gather lease information from court houses and record offices across Kansas and Oklahoma

➤ **We are still early in the process and have much more ground to cover**

- The Mississippian Lime is a vast play covering over 17 million acres, in which SandRidge has leased over 2 million acres
- To date, we have examined only a small percentage of SandRidge's total acreage

➤ **Yet, already, it seems clear to us that entities related to the Ward family have been active competitors to SandRidge Energy in the acquisition and sale of mineral rights**

- In the interest of transparency, we are providing examples of transactions we have discovered to help illustrate the nature of activity we are observing
- Our investigation continues, and we expect to update stockholders as we learn more

SandRidge Related-Party Land Transactions

- **To date, we have discovered that many entities affiliated with the Ward family have been active in acquiring acreage and mineral rights in the Mississippian Lime**
 - In particular, TLW Land & Cattle, WCT Resources and 192 Investments are entities that have acquired meaningful acreage in the Mississippian Lime.
 - Each of these entities is related to Tom Ward or his immediate family, and has shared an address with SandRidge at various points in the past
- **We have found many occurrences of flipping and purchases in the same areas where SandRidge acquires mineral rights**
 - In a number of instances, WCT Resources has moved ahead of the company to acquire mineral rights from third parties, and then **flipped** them to SandRidge just weeks or months later
 - More worryingly, it appears that WCT Resources has **acquired acreage in advance of purchases by SandRidge** in the same area, and then either sold it to third parties or kept it
- **We call on the Board of Directors to conduct an investigation of CEO Tom Ward and this conduct**
 - We also demand that the company provide shareholders with all available information regarding the nature of the interaction between the various entities controlled by members of the Ward family and SandRidge
 - We believe the fact pattern suggests that SandRidge shareholders may have been disadvantaged by the actions of Mr. Ward and his family
 - We believe the company may not have fully properly disclosed the nature of these transactions to stockholders. In addition, if Mr. Ward did not disclose the full extent of these transactions to the company, we believe this may be cause for termination.

What is WCT Resources?

- **In response to our investigation and statements regarding our beliefs on this matter, SandRidge added additional disclosure in their consent revocation statement filed on January 7, 2013.**
 - *“WCT is an independent oil and gas company in which Mr. Ward retains no financial interest nor has any management or operational involvement.”*

- **What we have learned about WCT Resources:**
 - WCT Resources was established in January 2002
 - WCT Resources is owned by trusts established for the benefit of Tom Ward’s children (Ward Childrens’ Trust)
 - The company states that WCT Resources is currently run by Trent Ward, Tom Ward’s son
 - WCT Resources appears to have a fraction of the approximately 2,500 full-time employees that SandRidge Energy does. The company’s phone voicemail lists just seven total employees in its directory
 - The address of WCT Resources was the same as SandRidge’s headquarters until last year
 - In some prior years, based on a comparison of signatures, it appears that Tom Ward signed company documents
 - The current Chief Operating Officer of WCT Resources, Scott White, appears to have been a land manager at SandRidge Energy until as recently as 2011
 - There have been numerous transactions between Ward family members, or entities associated with Ward family members, and WCT Resources. We have documented transactions between TLW Cattle & Land or Sch’ree Ward, Tom Ward’s wife, and WCT Resources
 - WCT Resources is just one of several entities controlled by members of the Ward family which appear to be active participants in the purchase and sale of land and mineral rights in the Mississippian

Shareholders demand to know!

- What is the exact relationship between SandRidge and WCT Resources, and how has it evolved over time?
- What resources does WCT have to actively prospect, evaluation and purchase mineral rights in the Mississippian?
- What information has SandRidge shared with Trent Ward, WCT Resources or other entities related to the Ward Family? Is it a coincidence that WCT Resources appears frequently alongside, or even ahead of, SandRidge in the acquisition of various parcels of land or mineral rights?
- If WCT has no involvement with SandRidge, why do they often show up in the same places? How can this apparently small company repeatedly beat SandRidge and its 2,500 full time employees to the punch?
- Has SandRidge provided resources or services to WCT Resources, or other entities related to the Ward family?
- How many former SandRidge employees have worked for WCT Resources or other entities related to the Ward family? What steps did the company take to prevent SandRidge information from being used by former employees for the benefit of other entities?
- What other entities or individuals that appear frequently alongside SandRidge (such as 192 Investments and Sch'ree Ward) have relationships to Tom Ward or the Ward family? What company information or resources have been shared with such entities?
- What is the relationship between SandRidge or entities related to the Ward family, and the land companies that have assigned mineral rights to WCT Resources (such as Bent Tree Properties)?
- How much did the SandRidge Board of Directors know about these transactions? Why were many of them not disclosed to shareholders?
- **How is it appropriate that the family of the CEO is a frequent competitor to SandRidge, in the company's primary business?**

Examples of Related-Party Land Transactions

Examples of flipping

- **SEC disclosure:**
 - From the 2012 proxy: “In January 2011, we purchased a portion of the working interest in leases covering acreage in northeast Oklahoma from WCT Resources”
- **What actually happened:**
 - On November 30, 2010, WCT Resources leased mineral rights from the Berry family in Pawnee County, Oklahoma¹
 - **Two months later**, on January 20, 2011, WCT Resources flipped those specific leases to SandRidge



¹ Pawnee County: 19-21N-04E

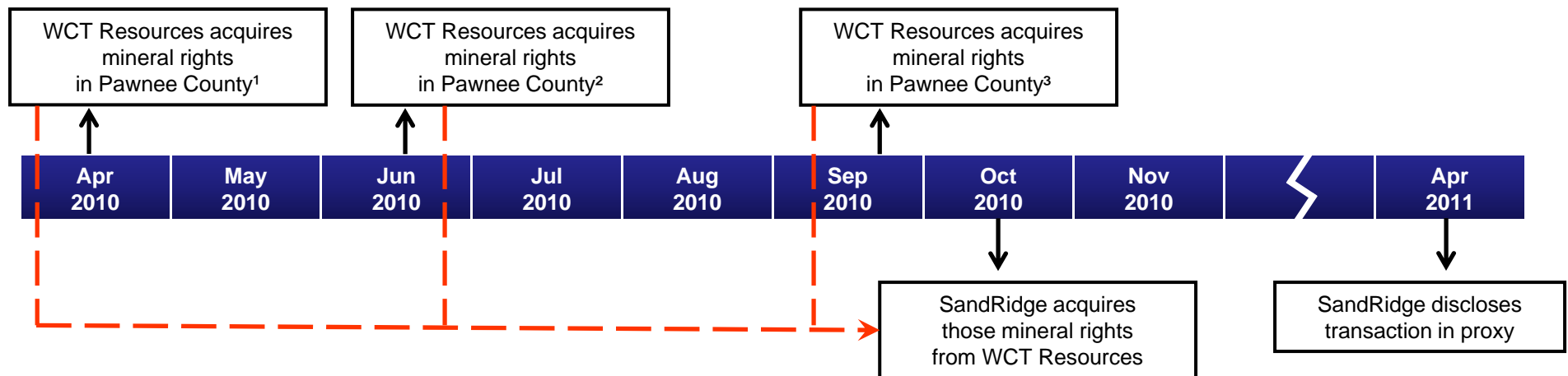
Examples of flipping

➤ **SEC disclosure:**

- From the 2011 proxy: “In September 2010, we purchased a portion of the working interest in leases covering acreage in northeast Oklahoma from WCT Resources”

➤ **What actually happened:**

- On April 6, 2010, WCT Resources leased mineral rights from the Lushabaugh, Thomas, Rouwalk, Louwalk and Goodfox families in Pawnee County, Oklahoma¹
- Then, on June 15, 2010 and September 28, 2010, WCT Resources was assigned additional mineral rights from Jackfork Land Inc. in Pawnee County^{2,3}
- **Three weeks later**, on October 15, 2010, WCT Resources flipped certain of those specific leases to SandRidge



¹ Pawnee County: 19-23N-04E; 30-23N-04E; 29-22N-04E; 20-22N-04E; 07-22N-04E; 07-22N-04E; 07-22N-04E

² Pawnee County: 03-21N-04E; 13-22N-03E; 03-22N-04E; 04-22N-04E; 05-22N-04E; 07-22N-04E; 08-22N-04E; 17-22N-04E; 18-22N-04E; 20-22N-04E; 21-22N-04E; 22-22N-04E; 31-23N-04E; 24-23N-03E; 25-23N-03E; 19-23N-04E; 30-23N-04E; 31-23N-04E

³ Pawnee County: 03-21N-04E; 7-21N-04E; 8-22N-04E; 31-23N-04E

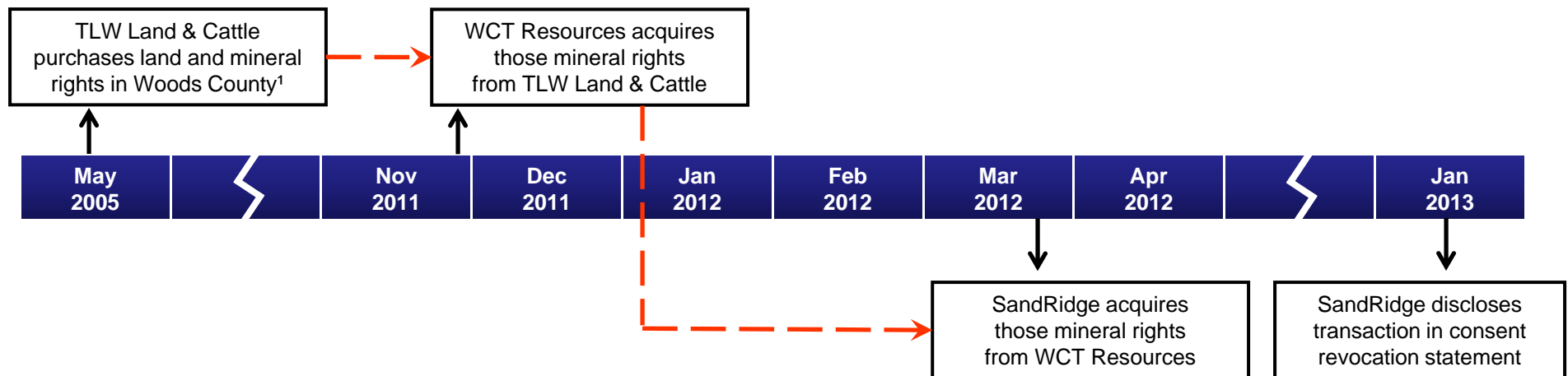
Examples of flipping

➤ **SEC disclosure:**

- From the 2013 consent revocation statement: “In May 2012 and August 2012, we purchased a portion of the working interest in leases covering acreage in northern Oklahoma from WCT Resources”

➤ **What actually happened:**

- On May 20, 2005, TLW Land & Cattle purchased land and mineral rights from Edwin Herslee in Woods County, Oklahoma¹
- On November 3, 2011, WCT Resources leased mineral rights from the TLW Land & Cattle in Woods County, Oklahoma
- **Six months later**, on May 23, 2012, WCT Resources flipped those specific leases to SandRidge



¹ Woods County: 17-28N-18W; 18-28N-18W; 20-28N-18W

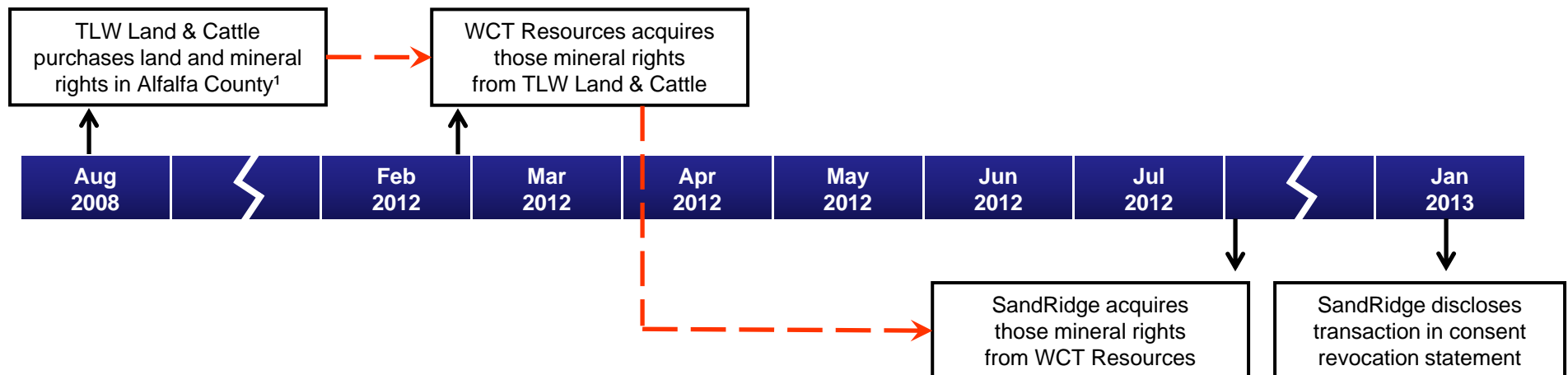
Examples of flipping

➤ **SEC disclosure:**

- From the 2013 consent revocation statement: “In May 2012 and August 2012, we purchased a portion of the working interest in leases covering acreage in northern Oklahoma from WCT Resources”

➤ **What actually happened:**

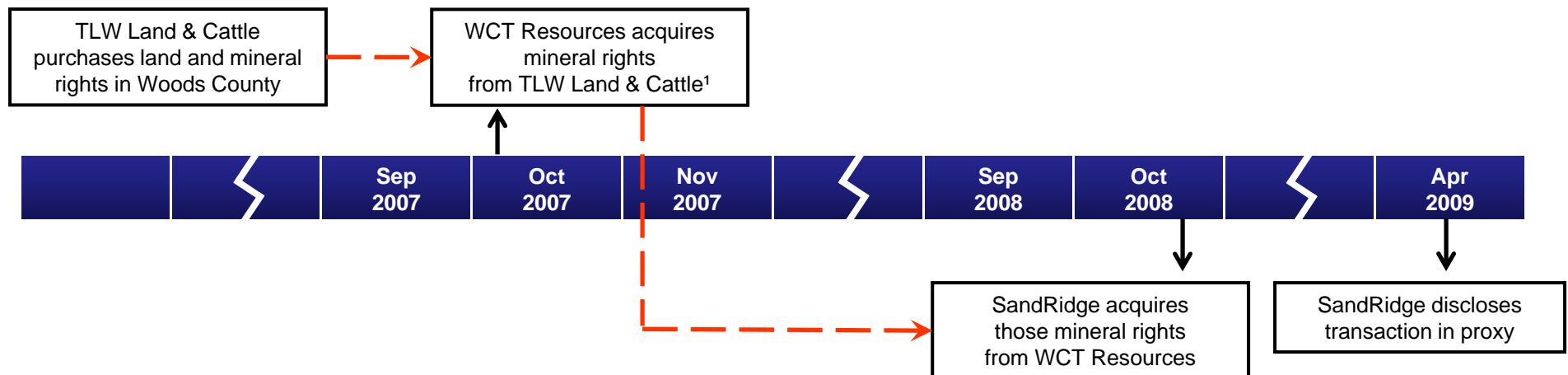
- On August 5, 2008, TLW Land & Cattle purchased land and mineral rights from the Joy family in Alfalfa County, Oklahoma¹
- On February 28, 2012, WCT Resources leased those mineral rights from the TLW Land & Cattle
- **Seven months later**, on August 29, 2012, WCT Resources flipped those specific leases to SandRidge



¹ Alfalfa County: 12-28N-10W

Examples of flipping

- **SEC disclosure:**
 - From the 2009 proxy: “WCT Resources L.L.C., a limited liability company for the benefit of Mr. Ward’s children, participated as a working interest owner in our development of the area”
- **What actually happened:**
 - On October 1, 2007, WCT Resources leased mineral rights from the TLW Land & Cattle in Woods County, Oklahoma¹
 - **Twelve months later**, on October 21, 2008, WCT Resources flipped those specific leases to SandRidge with an effective date of November 6, 2007



¹ Woods County: 17-24N-14W

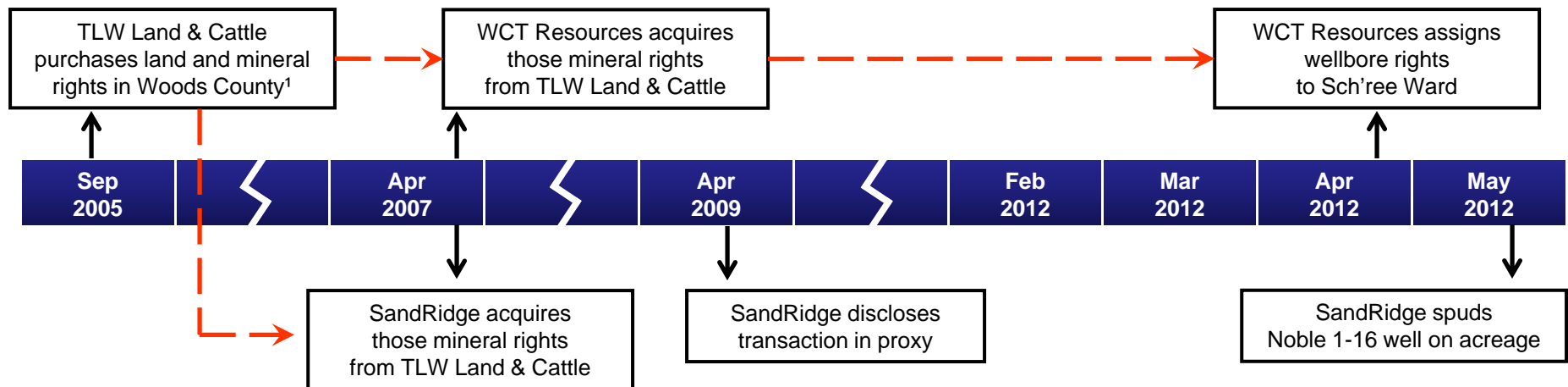
Examples of flipping

➤ **SEC disclosure:**

- From the 2009 proxy: “In April 2007, we leased the minerals under a certain area in Woods County, Oklahoma from TLW Land & Cattle”

➤ **What actually happened:**

- On March 10, 2005, TLW Land & Cattle purchased land and mineral rights from Jane Purnell in Woods County, Oklahoma¹
- **Two years later**, on April 11, 2007, TLW Land & Cattle assigns working interest in those mineral rights to both SandRidge and WCT Resources
- On December 14, 2010, TLW Land & Cattle sells the land to Larry Noble
- On April 23, 2012, WCT Resources assigns wellbore rights in that specific acreage to Sch’ree Ward, the wife of Tom Ward. On May 23, 2012, SandRidge starting drilling the Noble 1-16 well



¹ Woods County: 16-28N-14W

Examples of adjacent acquisitions

- **SEC disclosure:**
 - None
- **What actually happened:**
 - (1) On June 20, 2011, Bent Tree Properties assigned mineral rights to WCT Resources in Barber County, Kansas¹
We believe Bent Tree Properties is a company that provides land acquisition services. Land acquisition companies generally work under contract to secure land or mineral rights and then subsequently transfer those rights to the underlying investor or company. WCT Resources frequently appears to work with Bent Tree Properties in the acquisition of land or mineral rights.
 - (2) **Four weeks later**, on July 25, 2011, Continental Land Resources assigned mineral rights to SandRidge in adjacent acreage
 - (3) **Two months later**, on October 26, 2011, WCT Resources assigned its mineral rights to Shell

(1) June 2011:
WCT acquires acreage

			WCT
			WCT
		WCT	WCT
		WCT	WCT

(2) July 2011:
SandRidge acquires adjacent acreage

	SD	SD	WCT
	SD	SD	WCT
		WCT	WCT
		WCT	WCT

(3) October 2011:
WCT sells acreage to Shell

	SD	SD	Shell
	SD	SD	Shell
		Shell	Shell
		Shell	Shell

¹ Barber County: 12-30S-11W

Examples of adjacent acquisitions

- **SEC disclosure:**
 - None
- **What actually happened:**
 - (1) On June 6, 2011 to July 5, 2011, Bent Tree Properties assigned mineral rights to WCT Resources and 192 Investments in Barber County, Kansas¹
 - (2) **Two weeks later**, on July 25, 2011, Continental Land Resources assigned mineral rights to SandRidge in adjacent acreage
 - (3) **Three months later**, on October 26, 2011, WCT Resources assigned its mineral rights to Shell

(1) June 2011:
WCT acquires acreage

	WCT / 192		

(2) July 2011:
SandRidge acquires adjacent acreage

		SD	SD
	WCT / 192	SD	SD

(3) October 2011:
WCT sells acreage to Shell

		SD	SD
	Shell	SD	SD

¹ Barber County: 08-31S-10W

Examples of adjacent acquisitions

- **SEC disclosure:**
 - None
- **What actually happened:**
 - (1) On December 12, 2011, Bent Tree Properties assigned mineral rights to WCT Resources and 192 Investments in Thomas County, Kansas¹
 - (2) **Four months later**, on April 3, 2012, Manhattan EnergyOne assigned mineral rights to SandRidge in adjacent acreage
 - (3) WCT Resources still retains this acreage

(1) December 2011:
WCT acquires acreage

WCT / 192	WCT / 192	WCT / 192	WCT / 192
WCT / 192	WCT / 192	WCT / 192	WCT / 192

(2) April 2012:
SandRidge acquires adjacent acreage

SD	SD	SD	SD
SD	SD	SD	SD
WCT / 192	WCT / 192	WCT / 192	WCT / 192
WCT / 192	WCT / 192	WCT / 192	WCT / 192

(3) Today:
WCT still retains acreage

SD	SD	SD	SD
SD	SD	SD	SD
WCT / 192	WCT / 192	WCT / 192	WCT / 192
WCT / 192	WCT / 192	WCT / 192	WCT / 192

¹ Thomas County: 29-06S-33W

Examples of adjacent acquisitions

- **SEC disclosure:**
 - None

- **What actually happened:**
 - (1) On January 4, 2012 and February 29, 2012, Bent Tree Properties assigned mineral rights to WCT Resources and 192 Investments in Thomas County, Kansas¹
 - (2) **Two months later**, on April 3, 2012, Manhattan EnergyOne assigned mineral rights to SandRidge in adjacent acreage
 - (3) WCT Resources still retains this acreage

(1) January 2012:
WCT acquires acreage

		WCT / 192	WCT / 192
		WCT / 192	WCT / 192
		WCT / 192	WCT / 192
		WCT / 192	WCT / 192

(2) April 2012:
SandRidge acquires adjacent acreage

SD	SD	WCT / 192	WCT / 192
SD	SD	WCT / 192	WCT / 192
SD	SD	WCT / 192	WCT / 192
SD	SD	WCT / 192	WCT / 192

(3) Today:
WCT still retains acreage

SD	SD	WCT / 192	WCT / 192
SD	SD	WCT / 192	WCT / 192
SD	SD	WCT / 192	WCT / 192
SD	SD	WCT / 192	WCT / 192

¹ Thomas County: 26-07S-34W

Examples of adjacent acquisitions

- **SEC disclosure:**
 - None

- **What actually happened:**
 - (1) On December 19, 2011, Bent Tree Properties assigned mineral rights to WCT Resources and 192 Investments in Thomas County, Kansas¹
 - (2) **Four months later**, on April 3, 2012 and July 1, 2012, Manhattan EnergyOne assigned mineral rights to SandRidge in adjacent acreage
 - (3) WCT Resources still retains this acreage

(1) December 2011:
WCT acquires acreage

WCT / 192	WCT / 192		
WCT / 192	WCT / 192		

(2) April 2012:
SandRidge acquires adjacent acreage

SD	SD	SD	SD
SD	SD	SD	SD
WCT / 192	WCT / 192	SD	SD
WCT / 192	WCT / 192	SD	SD

(3) Today:
WCT still retains acreage

SD	SD	SD	SD
SD	SD	SD	SD
WCT / 192	WCT / 192	SD	SD
WCT / 192	WCT / 192	SD	SD

¹ Thomas County: 05-09S-35W

Examples of adjacent acquisitions

- **SEC disclosure:**
 - None
- **What actually happened:**
 - (1) On November 21, 2011, Bent Tree Properties assigned mineral rights to WCT Resources and 192 Investments in Thomas County, Kansas¹
 - (2) **Five months later**, on April 3, 2012, Manhattan EnergyOne assigned mineral rights to SandRidge in adjacent acreage
 - (3) WCT Resources still retains this acreage

(1) November 2011:
WCT acquires acreage

		WCT / 192	WCT / 192
		WCT / 192	WCT / 192

(2) April 2012:
SandRidge acquires adjacent acreage

		SD	SD
		SD	SD
		WCT / 192	WCT / 192
		WCT / 192	WCT / 192

(3) Today:
WCT still retains acreage

		SD	SD
		SD	SD
		WCT / 192	WCT / 192
		WCT / 192	WCT / 192

¹ Thomas County: 17-08S-35W

Examples of adjacent acquisitions

- **SEC disclosure:**
 - None
- **What actually happened:**
 - (1) On December 19, 2011, Bent Tree Properties assigned mineral rights to WCT Resources and 192 Investments in Thomas County, Kansas¹
 - (2) **Four months later**, on April 3, 2012, Manhattan EnergyOne assigned mineral rights to SandRidge in adjacent acreage
 - (3) WCT Resources still retains this acreage

(1) December 2011:
WCT acquires acreage

WCT / 192	WCT / 192		
WCT / 192	WCT / 192		

(2) April 2012:
SandRidge acquires adjacent acreage

WCT / 192	WCT / 192		
WCT / 192	WCT / 192		
		SD	SD
		SD	SD

(3) Today:
WCT still retains acreage

WCT / 192	WCT / 192		
WCT / 192	WCT / 192		
		SD	SD
		SD	SD

¹ Thomas County: 34-08S-35W

Examples of adjacent acquisitions

- **SEC disclosure:**
 - None
- **What actually happened:**
 - (1) On December 12, 2011, Bent Tree Properties assigned mineral rights to WCT Resources and 192 Investments in Thomas County, Kansas¹
 - (2) **Four months later**, on April 3, 2012, Manhattan EnergyOne assigned mineral rights to SandRidge in adjacent acreage
 - (3) WCT Resources still retains this acreage

(1) December 2011:
WCT acquires acreage

WCT / 192	WCT / 192	WCT / 192	WCT / 192
WCT / 192	WCT / 192	WCT / 192	WCT / 192

(2) April 2012:
SandRidge acquires adjacent acreage

WCT / 192	WCT / 192	WCT / 192	WCT / 192
WCT / 192	WCT / 192	WCT / 192	WCT / 192
SD	SD	SD	SD
SD	SD	SD	SD

(3) Today:
WCT still retains acreage

WCT / 192	WCT / 192	WCT / 192	WCT / 192
WCT / 192	WCT / 192	WCT / 192	WCT / 192
SD	SD	SD	SD
SD	SD	SD	SD

¹ Thomas County: 21-07S-33W

Examples of adjacent acquisitions

- **SEC disclosure:**
 - None
- **What actually happened:**
 - (1) On December 19, 2011, Bent Tree Properties assigned mineral rights to WCT Resources and 192 Investments in Thomas County, Kansas¹
 - (2) **Four months later**, on April 3, 2012, Manhattan EnergyOne assigned mineral rights to SandRidge in adjacent acreage
 - (3) WCT Resources still retains this acreage

(1) December 2011:
WCT acquires acreage

WCT / 192	WCT / 192		
WCT / 192	WCT / 192		

(2) April 2012:
SandRidge acquires adjacent acreage

WCT / 192	WCT / 192	SD	SD
WCT / 192	WCT / 192	SD	SD

(3) Today:
WCT still retains acreage

WCT / 192	WCT / 192	SD	SD
WCT / 192	WCT / 192	SD	SD

¹ Thomas County: 34-07S-34W

Examples of adjacent acquisitions

- **SEC disclosure:**
 - None

- **What actually happened:**
 - (1) On December 22, 2011, TS Dudley Land Company assigned mineral rights to SandRidge in Finney County, Kansas¹
 - (2) **Eleven months later**, on November 13, 2012, Sullivan Land Resources assigned mineral rights to WCT Resources in adjacent acreage
 - (3) WCT Resources still retains this acreage

(1) December 2011:
SandRidge acquires acreage

SD	SD	SD	SD
SD	SD	SD	SD
		SD	SD
		SD	SD

(2) November 2012:
WCT acquires adjacent acreage

SD	SD	SD	SD
SD	SD	SD	SD
WCT	WCT	SD	SD
WCT	WCT	SD	SD

(3) Today:
WCT still retains acreage

SD	SD	SD	SD
SD	SD	SD	SD
WCT	WCT	SD	SD
WCT	WCT	SD	SD

¹ Finney County: 10-23-28W

Examples of adjacent acquisitions

- **SEC disclosure:**
 - None
- **What actually happened:**
 - (1) On January 3, 2012, Bent Tree Properties acquired mineral rights in Sherman County, Kansas¹
 - (2) **Two months later**, on March 28, 2012, Stable Energy Resources assigned mineral rights to SandRidge in adjacent acreage
 - (3) **Two weeks later**, on April 10, 2012, Bent Tree assigned those mineral rights to WCT Resources
 - (4) WCT Resources still retains this acreage

(1) January 2012:
Bent Tree acquires acreage

		BT	BT
		BT	BT

(2) March 2012:
SD acquires adjacent acreage

SD	SD	BT	BT
SD	SD	BT	BT

(3) April 2012:
Bent Tree sells acreage to WCT

SD	SD	WCT	WCT
SD	SD	WCT	WCT

(4) Today:
WCT still retains acreage

SD	SD	WCT	WCT
SD	SD	WCT	WCT

¹ Sherman County: 09-08S-37W

Examples of adjacent acquisitions

- **SEC disclosure:**
 - None

- **What actually happened:**
 - (1) On January 3, 2012, Bent Tree Properties acquired mineral rights in Sherman County, Kansas¹
 - (2) **Two months later**, on March 28, 2012, Stable Energy Resources assigned mineral rights to SandRidge in adjacent acreage
 - (3) **Four weeks later**, on April 25, 2012, Bent Tree assigned those mineral rights to WCT Resources
 - (4) WCT Resources still retains this acreage

(1) January 2012:
Bent Tree acquires acreage

BT	BT		
BT	BT		

(2) March 2012:
SD acquires adjacent acreage

BT	BT	SD	SD
BT	BT	SD	SD

(3) April 2012:
Bent Tree sells acreage to WCT

WCT	WCT	SD	SD
WCT	WCT	SD	SD

(4) Today:
WCT still retains acreage

WCT	WCT	SD	SD
WCT	WCT	SD	SD

¹ Sherman County: 28-08S-37W

Examples of adjacent acquisitions

- **SEC disclosure:**
 - None

- **What actually happened:**
 - (1) On January 3, 2012, Bent Tree Properties acquired mineral rights in Sherman County, Kansas¹
 - (2) **Two months later**, on March 28, 2012, Stable Energy Resources assigned mineral rights to SandRidge in adjacent acreage
 - (3) **Four months later**, on July 13, 2012, Bent Tree assigned those mineral rights to WCT Resources
 - (4) WCT Resources still retains this acreage

(1) January 2012:
Bent Tree acquires acreage

BT	BT		

(2) March 2012:
SD acquires adjacent acreage

		SD	SD
BT	BT	SD	SD

(3) July 2012:
Bent Tree sells acreage to WCT

		SD	SD
WCT	WCT	SD	SD

(4) Today:
WCT still retains acreage

		SD	SD
WCT	WCT	SD	SD

¹ Sherman County: 05-08S-41W

Examples of adjacent acquisitions

- **SEC disclosure:**
 - None

- **What actually happened:**
 - (1) On November 30, 2011, Continental Land Resources acquired mineral rights in Wallace County, Kansas¹
 - (2) **Four months later**, on March 28, 2012, Stable Energy Resources assigned mineral rights to SandRidge in adjacent acreage
 - (3) **Five months later**, on August 2, 2012, Continental assigned its mineral rights to WCT Resources
 - (4) WCT Resources still retains this acreage

(1) November 11:
Continental acquires acreage

		CLR	CLR				
		CLR	CLR				
		CLR	CLR				
		CLR	CLR				

(2) March 2012:
SD acquires adjacent acreage

		CLR	CLR	SD	SD	SD	SD
		CLR	CLR	SD	SD	SD	SD
		CLR	CLR	SD	SD	SD	SD
		CLR	CLR	SD	SD	SD	SD

(3) August 2012:
Continental sells acreage to WCT

		WCT	WCT	SD	SD	SD	SD
		WCT	WCT	SD	SD	SD	SD
		WCT	WCT	SD	SD	SD	SD
		WCT	WCT	SD	SD	SD	SD

¹ Wallace County: 29-11S-40W and 28-11S-40W

Examples of adjacent acquisitions

- **SEC disclosure:**
 - None
- **What actually happened:**
 - (1) On January 13, 2011, Sam B. Rose Oil & Gas assigned mineral rights to WCT Resources in Cowley County, Kansas¹
 - (2) **Nine months later**, on September 28, 2011, the Kaufman family assigned mineral rights to SandRidge in adjacent acreage
 - (3) WCT Resources still retains this acreage

(1) January 2011:
WCT acquires acreage

WCT			WCT
			WCT

(2) September 2011:
SandRidge acquires adjacent acreage

WCT	SD	SD	WCT
		SD	SD
SD	SD	SD	SD
SD	SD		WCT

(3) Today:
WCT still retains acreage

WCT	SD	SD	WCT
		SD	SD
SD	SD	SD	SD
SD	SD		WCT

¹ Cowley County: 35-32-6

Appendix: Oil & Gas Leases

- Oil & gas leases in Oklahoma and Kansas are organized by 640-acre sections, which are found within townships and ranges
 - The nomenclature is Section – Township – Range. For example, Barber County 12-30S-11W means Section 12, Township 30 South, Range 11 West
 - In our diagrams, we represented each 640-acre section with 16 40-acre grids

- For example, the Barber County example on page 16 covered parts of the 12-30S-11W section
 - WCT Resources acquires acreage in the eastern part of the section
 - Page 3 of the June 2011 assignment from Bent Tree Properties to WCT Resources: “Township 30 South, Range 11 West, Section 12: SE/4, E/2 NE/4”. That is the southeast quarter and the eastern half of the northeast quarter.
 - SD acquires adjacent acreage in northern part of the section
 - Page 2 of the July 2011 assignment from Continental Land Resources to SandRidge: “W/2 NE/4 & E/2 NW/4 of Section 12, Township 30S, Range 11W”. That is the western half of the northeast quarter and the eastern half of the northwest quarter.

(1) June 2011:
WCT acquires acreage

			WCT
			WCT
		WCT	WCT
		WCT	WCT

(2) July 2011:
SandRidge acquires adjacent acreage

	SD	SD	WCT
	SD	SD	WCT
		WCT	WCT
		WCT	WCT

(3) October 2011:
WCT sells acreage to Shell

	SD	SD	Shell
	SD	SD	Shell
		Shell	Shell
		Shell	Shell