



NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
To be held on June 3, 2011

To the Stockholders of SandRidge Energy, Inc.:

The 2011 Annual Meeting of Stockholders ("Annual Meeting") of SandRidge Energy, Inc., a Delaware corporation (the "Company" or "SandRidge"), will be held in the SandRidge Auditorium at our corporate offices located at 123 Robert S. Kerr Avenue, Oklahoma City, Oklahoma 73102, on June 3, 2011, at 9:00 a.m., central time. At the Annual Meeting, stockholders will be asked to:

- (1) Elect two Class II directors to serve on our Board of Directors for a three-year term;
- (2) Ratify the selection of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2011;
- (3) Approve an amendment to the SandRidge Energy, Inc. 2009 Incentive Plan to increase the number of shares of Company common stock issuable under the plan;
- (4) Approve, in a non-binding vote, the compensation provided to the Company's named executive officers, as disclosed pursuant to Item 402 of Regulation S-K under the Securities Exchange Act of 1934;
- (5) Recommend, in a non-binding vote, whether a non-binding stockholder vote to approve the compensation of the Company's named executive officers should occur every one, two or three years; and
- (6) Transact such other business as may properly come before the Annual Meeting or any adjournments thereof.

The meeting may be adjourned from time to time. At any reconvened meeting, action with respect to the matters specified in this notice may be taken without further notice to stockholders, unless required by applicable law or the Bylaws of the Company.

Stockholders of record of shares of our common stock at the close of business on April 6, 2011 are entitled to notice of, and to vote at, the Annual Meeting. A list of such stockholders will be available at the meeting and at the Company's corporate office, 123 Robert S. Kerr Avenue, Oklahoma City, Oklahoma 73102, for the ten days prior to the meeting.

All stockholders are cordially invited to attend the meeting in person. Your vote is very important. Therefore, whether or not you expect to attend the meeting, please vote as described on pages 1 and 2 of the Proxy Statement. Voting in any of the ways described will not prevent you from attending the Annual Meeting.

By Order of the Board of Directors,

A handwritten signature in black ink, appearing to read "Philip T. Warman", is written over a horizontal line.

Philip T. Warman, Corporate Secretary

Oklahoma City, Oklahoma
April 25, 2011

Please sign, date and promptly return the enclosed proxy card in the envelope provided, or grant a proxy and give voting instructions by telephone or the Internet, so that you may be represented at the meeting. Instructions are on your proxy card or on the voting instruction card provided by your broker.

Brokers cannot vote for Items 1, 3, 4 or 5 without your instructions.

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting of Stockholders to Be Held on June 3, 2011:

This Proxy Statement, along with our Annual Report to Stockholders for the fiscal year ended December 31, 2010 are available free of charge at <https://www.proxyvote.com>. Directions for attending the Annual Meeting in person are available on our website at <http://www.sandridgeenergy.com> under "Contact."

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SANDRIDGE ENERGY, INC.

**123 Robert S. Kerr Avenue
Oklahoma City, Oklahoma 73102
(405) 429-5500**

PROXY STATEMENT

SOLICITATION AND REVOCABILITY OF PROXIES

The enclosed proxy is solicited by the Board of Directors of SandRidge Energy, Inc. for use at the 2011 Annual Meeting of Stockholders (“Annual Meeting”) to be held in the SandRidge Auditorium at our corporate offices located at 123 Robert S. Kerr Avenue, Oklahoma City, Oklahoma 73102, on June 3, 2011, at 9:00 a.m., central time or at any adjournment thereof. In this Proxy Statement, unless the context requires otherwise, when we refer to “we,” “us,” “our,” “SandRidge” or the “Company,” we are describing SandRidge Energy, Inc., a Delaware corporation, and when we refer to the “Board,” we are describing the Company’s Board of Directors. We refer to holders of common stock as of the record date as “stockholders.” Proxies are solicited to give all stockholders an opportunity to vote on matters properly presented at the Annual Meeting.

Our Annual Report to Stockholders for the year ended December 31, 2010, including audited financial statements, accompanies this Proxy Statement. The Annual Report to Stockholders is not incorporated by reference into this Proxy Statement or deemed to be a part of the materials used for the solicitation of proxies. This Proxy Statement along with the Annual Report to Stockholders are first being mailed to stockholders on or about April 25, 2011.

ABOUT THE ANNUAL MEETING

What is the purpose of the meeting?

At our Annual Meeting, stockholders will be asked to act upon the matters outlined in the Notice of Annual Meeting of Stockholders provided with this Proxy Statement, including the election of two Class II directors; ratification of PricewaterhouseCoopers LLP as our independent registered public accounting firm; approval of the increase in shares of Company common stock issuable under the SandRidge Energy, Inc. 2009 Incentive Plan (the “2009 Incentive Plan”); approval, in a non-binding vote, of the compensation of the named executive officers (“Advisory Vote on Compensation”); recommending, in a non-binding vote, whether a non-binding stockholder vote to approve the compensation of our named executive officers should occur every one, two or three years (“Advisory Vote on Frequency”); and any other matters properly presented at the meeting.

Who is entitled to vote at the meeting?

Only stockholders of record as of 5:00 p.m., central time, on April 6, 2011 are entitled to receive notice of, and to vote at, the Annual Meeting. On April 6, 2011, there were 410,608,681 shares of our common stock issued, outstanding and entitled to vote at the meeting. Each outstanding share of common stock is entitled to one vote, except certain unvested shares of restricted stock issued to our directors and employees, which do not have voting rights.

How do I vote my shares?

The process for voting your shares depends on how your shares are held. Generally, you may hold shares in your name as a “record holder” or in “street name” through a nominee, such as a broker or bank. You can vote either in person at the Annual Meeting or by proxy whether or not you attend the Annual Meeting. To vote by proxy, you must either:

- Sign and date the enclosed proxy card, and return it in the enclosed postage-paid envelope;

- Vote by telephone by placing a toll-free call from the U.S. or Canada to 1-800-690-6903 as described in the enclosed proxy card; or
- Vote over the Internet at <https://www.proxyvote.com> as described in the enclosed proxy card.

Please note that telephone and Internet voting will close at 11:59 p.m., central time, on June 2, 2011.

If you plan to attend the Annual Meeting and wish to vote in person, you will be given a ballot at the meeting. Please note that you may vote by proxy prior to June 3, 2011 and still attend the Annual Meeting. Even if you currently plan to attend the Annual Meeting in person, we recommend that you also submit your proxy as described above so that your vote will be counted if you later decide not to attend the meeting.

If your shares are held in the name of a broker, bank or other nominee, you should receive separate instructions from the record holder of your shares describing how to vote. If your shares are held in the name of a broker, bank or other nominee and you want to vote in person, you will need to obtain and bring with you to the Annual Meeting a legal proxy from the record holder of your shares as of the close of business on April 6, 2011 indicating that you were a beneficial owner of shares as of the close of business on such date and further indicating the number of shares that you beneficially owned at that time.

How are my votes counted?

In all proposals other than the election of directors and the Advisory Vote on Frequency, you may vote “FOR,” “AGAINST” or “ABSTAIN.” In the election of directors, you may either vote “FOR” a nominee or “WITHHOLD” your vote from the nominee. In the Advisory Vote on Frequency, you may vote “ONE YEAR,” “TWO YEARS,” “THREE YEARS” OR “ABSTAIN.” Abstentions occur when stockholders are present at the Annual Meeting but choose to withhold their vote for any of the matters upon which the stockholders are voting. With the exception of the election of a director and the Advisory Vote on Frequency, an abstention will have the same effect as a vote “AGAINST” that proposal.

What is a quorum?

A quorum is the presence at the meeting, in person or by proxy, of the holders of a majority of the outstanding shares of our common stock as of the record date. There must be a quorum for the meeting to be held. If you submit a valid proxy card, vote by the Internet or phone, or attend the meeting and vote in person, your shares will be counted as present to determine whether there is a quorum. Abstentions and broker non-votes will be counted for purposes of establishing a quorum.

What are broker non-votes?

A broker non-vote occurs when the broker is unable to vote on a proposal because the proposal is not routine and the beneficial owner has not provided any instructions on that matter. New York Stock Exchange (“NYSE”) rules determine whether proposals are routine or not routine. If a proposal is routine, a broker holding shares for an owner in street name may vote for the proposal without voting instructions. If a proposal is not routine, the broker may vote on the proposal only if the owner has provided voting instructions. If a broker does not receive instructions for a non-routine proposal, the broker will return a proxy card without a vote on that proposal, which is usually referred to as a “broker non-vote.” The ratification of PricewaterhouseCoopers LLP’s appointment is a routine item, but all other proposals at the Annual Meeting are not considered routine under applicable NYSE rules. Accordingly, broker non-votes on these non-routine matters will be counted for purposes of establishing a quorum, but will not be counted as having been entitled to vote or as a vote cast.

Can I revoke my proxy?

Yes, you can revoke your proxy if you are a record holder by: (a) filing written notice of revocation with our Corporate Secretary prior to the Annual Meeting; (b) signing a proxy card bearing a later date than the proxy being revoked and submitting it to our Corporate Secretary prior to the Annual Meeting; (c) voting again by phone or over the Internet; or (d) voting in person at the Annual Meeting.

If your shares are held in street name through a broker, bank, or other nominee, you must contact the record holder of your shares to determine how to revoke your proxy.

What vote is required to approve the election of directors?

In the election of directors, you may either vote "FOR" a nominee or "WITHHOLD" your vote from the nominee. If the nominee receives a plurality of the votes cast, he will be elected to our Board of Directors. You may not cumulate your votes in the election of directors.

What vote is required to approve the ratification of the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm?

In voting on the ratification of the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for our fiscal year ending December 31, 2011, you may vote "FOR" or "AGAINST" the ratification or "ABSTAIN" from voting. If you "ABSTAIN" from voting on the adoption, your vote will have the same effect as a vote "AGAINST" the proposal. A majority of the votes cast at the Annual Meeting must be cast "FOR" the ratification of the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm in order for such ratification to be approved at the Annual Meeting.

What vote is required to approve the amendment to the 2009 Incentive Plan to increase the number of shares of Company common stock issuable under the plan?

In voting on the approval of the amendment to the 2009 Incentive Plan to increase the number of shares of Company common stock issuable under the plan, you may vote "FOR" or "AGAINST" the increase or "ABSTAIN" from voting. If you "ABSTAIN" from voting on the increase, your vote will have the same effect as a vote "AGAINST" the proposal. A majority of the votes cast at the Annual Meeting must be cast "FOR" the increase in order for the increase to be approved at the Annual Meeting.

What vote is required to approve the compensation provided to the Company's named executive officers?

In voting on the Advisory Vote on Executive Compensation, you may vote "FOR" or "AGAINST" the compensation provided to the Company's named executive officers or "ABSTAIN" from voting. If you "ABSTAIN" from voting, your vote will have the same effect as a vote "AGAINST" the proposal. A majority of the votes cast at the Annual Meeting must be cast "FOR" the proposal in order for it to be approved at the Annual Meeting.

What vote is required to recommend whether a non-binding stockholder vote to approve the compensation of the Company's named executive officers should occur every one, two or three years?

In voting on the Advisory Vote on Frequency, you may vote "ONE YEAR," "TWO YEARS," "THREE YEARS" OR "ABSTAIN." The choice receiving the greatest number of votes will be considered the frequency recommended by stockholders. Abstentions and broker non-votes will have no effect on the outcome of the vote.

Are the Advisory Vote on Executive Compensation and the Advisory Vote on Frequency binding on the Company?

The votes on these proposals are non-binding on the Company. However, the Board will review the results of the votes and will take them into account when making a determination concerning executive compensation and the frequency of such advisory votes.

May I propose actions for consideration at next year’s annual meeting of stockholders or nominate individuals to serve as directors?

You may submit proposals for consideration at future stockholder meetings, including director nominations. In order for a stockholder proposal to be considered for inclusion in our proxy statement for next year’s annual meeting, the written proposal must be received by us no later than December 27, 2011. For a stockholder proposal, including a director nomination, to be considered at next year’s annual meeting but not included in the proxy statement relating to such meeting, the written proposal must be received by us no earlier than February 3, 2012 and no later than March 7, 2012. Please see “General Information – Stockholder Proposals and Nominations” for a more detailed discussion of the requirements for submitting a stockholder proposal for consideration at next year’s annual meeting.

What if I do not mark a voting choice for some of the matters listed on my proxy card?

If you return a signed proxy card without indicating your vote, your shares will be voted in accordance with the Board of Directors’ recommendation for each proposal with respect to which a voting choice is not indicated.

Could other matters be decided at the Annual Meeting?

We do not know of any other matters that will be considered at the Annual Meeting. If there are any other matters that arise at the meeting, proxies will be voted at the discretion of the proxy holders.

What happens if the Annual Meeting is postponed or adjourned?

If the Annual Meeting is postponed or adjourned, your proxy will still be good and may be voted at the postponed or adjourned meeting. You will still be able to change or revoke your proxy until it is voted.

How does the Board of Directors recommend I vote on the proposals?

The Board of Directors recommends that you vote:

- **FOR** the nominees for director set forth on page 14;
- **FOR** the ratification of the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2011;
- **FOR** the approval of the amendment to increase the number of shares of Company common stock issuable under the 2009 Incentive Plan;
- **FOR** the approval of the Advisory Vote on Compensation; and
- **THREE YEARS** when voting on the Advisory Vote on Frequency.

CORPORATE GOVERNANCE MATTERS

Board Structure

Our Board of Directors currently consists of seven directors and is divided into three classes as provided in our Certificate of Incorporation and Amended and Restated Bylaws (“Bylaws”). Stockholders elect a portion of our Board of Directors each year. Class II directors’ terms will expire at the Annual Meeting, Class III directors’ terms will expire at the annual meeting of stockholders to be held in 2012 and Class I directors’ terms will expire at the annual meeting of stockholders to be held in 2013. Currently, the Class II directors are Tom L. Ward and Roy T. Oliver, Jr.; the Class III directors are Daniel W. Jordan and Everett R. Dobson; and the Class I directors are Jim J. Brewer, William A. Gilliland and Jeffrey S. Serota. At each annual meeting of stockholders, the stockholders will elect a successor to each of the directors whose term expires on the date of the meeting, or re-elect each such director, with each successor or re-elected director to serve from the time of election until the third annual meeting following election.

Our Bylaws also provide that the authorized number of directors that shall constitute the whole Board of Directors may be changed by resolution duly adopted by the Board of Directors. Any additional directorships resulting from an increase in the number of directors will be distributed among the three classes so that, as nearly as possible, each class will consist of one-third of the total number of directors. Vacancies and newly created directorships may be filled by the affirmative vote of a majority of directors then in office, even if such number is less than a majority of the authorized number of directors.

Leadership Structure

As permitted by the Company’s Bylaws, Mr. Ward currently serves as both Chairman and Chief Executive Officer of the Company, and the Board of Directors has not appointed a lead independent director. For the reasons discussed below, the Board of Directors believes this is the most appropriate leadership structure for the Company at this time.

Mr. Ward’s service as the Board’s Chairman allows the Board to act efficiently and effectively to best serve the interests of the Company’s stockholders and the Company as a whole. The Chief Executive Officer bears primary responsibility for managing the day-to-day business of the Company, and he is best suited to bring key business issues and stockholders’ interests to the attention of the Board.

Under its current organizational structure, the Company has acted quickly and decisively on numerous occasions to seek Board approval and facilitate the successful completion of strategic acquisitions of oil and gas properties and a publicly traded oil and gas company, transactions involving acquisitions and dispositions of other assets, joint venture transactions and significant capital-raising transactions during difficult market conditions. The Board believes these outstanding results were facilitated, in large part, by Mr. Ward’s ability to serve as an effective bridge between the Board and management, providing the Board with a thorough understanding of the Company and its business and fostering an open dialogue between the Board and senior management. In addition, the Board believes that by holding both of these roles, Mr. Ward has been able to give the Company united leadership for executing strategic initiatives and meeting challenges.

The Board does not believe that the Company’s leadership structure would be enhanced appreciably by splitting the roles of Chairman and Chief Executive Officer at this time. The Board follows sound corporate governance practices to ensure its independence and effective functioning, as described in detail below. Most importantly, except for Mr. Ward, the Board is composed entirely of directors determined to be “independent.” The independent directors meet in a scheduled executive session without Mr. Ward present at every regular meeting of the Board. In addition, each of the Board’s committees is composed entirely of independent directors, which means that oversight of critical issues such as the integrity of the Company’s financial statements, Chief Executive Officer and senior management compensation, and Board evaluation and selection of directors is entrusted to independent directors.

The Board intends to review its leadership structure from time to time to determine whether circumstances recommend a change in such structure.

Risk Oversight

The Board of Directors is generally responsible for overseeing management of the various operational, financial, legal and human resources-related risks faced by the Company. The Board fulfills this responsibility by requesting and reviewing reports and presentations from management regarding such risks, including, among other things: risks with respect to oil and gas production; the maintenance of oil and gas leases; the concentration of the Company's operations and assets; environmental, health and safety matters; insurance coverages; the creditworthiness of counterparties; the Company's status with respect to applicable financial covenants; litigation and governance matters; and compensation-related risks. The Board also periodically reviews the Company's derivative trading strategy, which is intended to mitigate risks associated with changes in commodities prices. In addition, the Audit Committee oversees the implementation and effectiveness of the Company's compliance program, and reviews specific financial and legal matters as requested by the full Board from time to time. The Company's general counsel reports directly to the Audit Committee on compliance program matters. The general counsel and other senior executives periodically report to the Audit Committee and the Board on other operational, financial, legal, and human resources-related risks as they may arise from time to time. Further, in reviewing the Company's compensation programs and policies, the Compensation Committee considers risks that may be created by such programs. The responsibilities of the committees to oversee risk in the manner set forth above are considered when determining the chairs of such committees.

Director Qualifications

The Nominating and Governance Committee has the responsibility under its charter to recommend nominees for election to the Board of Directors. Rather than maintaining a formal list of minimum qualifications in making its identification, evaluation and recommendation of nominees, the Nominating and Governance Committee considers the entirety of each candidate's credentials, including relevant skills and experience, independence under applicable Securities and Exchange Commission ("SEC") and New York Stock Exchange ("NYSE") standards, business judgment, service on the boards of directors of other companies, personal and professional integrity, openness and ability to work as part of a team, willingness to commit the required time to serve as a Board member, and familiarity with the Company and its industry.

The Board believes that each of its directors and director nominees understands fully the responsibilities of service as a director and the governance requirements applicable to public companies resulting from the orientation and ongoing education provided by the Company's general counsel, their service on the boards of directors of other public companies and their involvement as directors in initial public offerings, including that of the Company.

In identifying, nominating and approving of director candidates, the Nominating and Governance Committee and the Board also believe the Board, as a whole, should have:

- significant senior management experience;
- experience overseeing public company financial management matters, including expertise in financial reporting and internal control, which experience and expertise are essential to the Company's ability to comply with its many and complex financial reporting responsibilities;
- substantial experience in varied facets of the oil and natural gas industry so as to deal most effectively with its vendors, peers and downstream counterparties; and
- a background in investing and capital raising activities, which the Board believes is made necessary by the Company's growth profile.

The Nominating and Governance Committee, in recommending director candidates, considers diversity based on the extent to which a candidate's experiences in the areas described above differ from those of the other members of the Board. A candidate is nominated only if the Nominating and Governance Committee believes the combination of the candidate's experiences will bring a unique perspective to Board deliberations and the oversight of the Company's affairs.

As a result of the experiences of its individual members detailed below, the Nominating and Governance Committee and the Board believe that the Board, as a whole, has the following qualifications and experience valued by them.

Significant senior management experience	<p>Mr. Ward</p> <p>Mr. Brewer</p> <p>Mr. Dobson</p> <p>Mr. Gilliland</p> <p>Mr. Jordan</p> <p>Mr. Oliver</p>	<p>Chief Executive Officer of the Company and former Director, President and Chief Operating Officer of Chesapeake Energy Corporation</p> <p>Co-founder and President of J-Brex Company and co-founder and director of Energynet.com</p> <p>Former Chairman and Chief Executive Officer of Dobson Communications Corporation</p> <p>Former Chairman, Chief Executive Officer and President of Cross-Continent Auto Retailers, Inc.</p> <p>Former Vice President, Business of Riata Energy, Inc., former director and Vice President of Lariat Compression Company, and former Chairman, Chief Executive Officer and President of Jordan Drilling Fluids, Inc.</p> <p>President of R.T. Oliver Investments, Inc., Chairman and President of Valliance Bank, N.A., former President of U.S. Rig and Equipment, Inc. and former director of Grey Wolf, Inc.</p>
Experience overseeing public company financial management matters, including expertise in financial reporting and internal control	<p>Mr. Brewer</p> <p>Mr. Dobson</p> <p>Mr. Serota</p>	<p>Co-founder and President of J-Brex Company</p> <p>Former Chairman and Chief Executive Officer of Dobson Communications Corporation</p> <p>Current member of Audit Committee of Board of Directors of EXCO Resources, Inc.</p>
Substantial experience in varied facets of the oil and natural gas industry	<p>Mr. Ward</p> <p>Mr. Brewer</p> <p>Mr. Gilliland</p> <p>Mr. Jordan</p> <p>Mr. Oliver</p> <p>Mr. Serota</p>	<p>Senior positions in exploration and production companies, including as Chief Executive Officer and President of the Company and former Director, President and Chief Operating Officer of Chesapeake Energy Corporation</p> <p>Senior positions in oil and gas related businesses, including as President of J-Brex Company and director of Energynet.com</p> <p>Manager of Gillco Energy, L.P., an oil and gas exploration and production company</p> <p>Senior positions in oil and gas services and exploration and production companies, including as former Vice President, Business of Riata Energy, Inc., former director and Vice President of Lariat Compression Company, and former Chairman, Chief Executive Officer and President of Jordan Drilling Fluids, Inc.</p> <p>Former President of U.S. Rig and Equipment, Inc. and former director of Grey Wolf, Inc., drilling rig companies</p> <p>Current director of an exploration and production company, EXCO Resources, Inc.</p>

Background in investing and capital raising activities	Mr. Ward	Chief Executive Officer and President of the Company and former Director, President and Chief Operating Officer of Chesapeake Energy Corporation
	Mr. Dobson	Former Chairman and Chief Executive Officer of Dobson Communications Corporation and Chairman of Investment Committee of Southwestern Oklahoma State University Foundation
	Mr. Gilliland	Manager of Gillco Energy, L.P. and Gillco Investments, L.P., and former Chairman, Chief Executive Officer and President of Cross-Continent Auto Retailers, Inc.
	Mr. Oliver	President of R.T. Oliver Investments, Inc., a diversified investment company with interests in energy, energy services, media and real estate, and Chairman and President of Valliance Bank, N.A.
	Mr. Serota	Senior Partner with Ares Management LLC, an independent Los Angeles-based investment firm, former vice president in the Investment Banking Department of Bear, Stearns & Co., and former employment with Dabney/Resnick, Inc., a boutique investment bank, where Mr. Serota specialized in merchant banking and capital raising activities for middle market companies and had primary responsibility for the firm's bridge financing activities

Messrs. Ward and Oliver are being renominated because the Nominating and Governance Committee and the Board believe they continue to possess the qualities desirable in individual directors and contribute to the experience desired for the Board as a whole. In addition, in recommending that these directors be renominated for a three-year term expiring at the 2014 annual meeting of stockholders, the Nominating and Governance Committee reviewed attendance at Board and committee meetings and assessed the past performance and contributions to the Board of these directors.

Director Biographical Information

The names of the members of our Board of Directors and certain information concerning each of them as of March 31, 2011, are set forth below.

<u>Class</u>	<u>Name</u>	<u>Age</u>	<u>Position</u>
II	Tom L. Ward	51	Chairman and Chief Executive Officer
I	Jim J. Brewer	52	Director
III	Everett R. Dobson	51	Director
I	William A. Gilliland	73	Director
III	Daniel W. Jordan	54	Director
II	Roy T. Oliver, Jr.	58	Director
I	Jeffrey S. Serota	45	Director

Nominees for Election at the Annual Meeting to Serve for a Three-Year Term (Class II Directors)

Tom L. Ward. Mr. Ward has served as our Chairman and Chief Executive Officer since June 2006 and as our President from December 2006 until January 2011. Prior to joining SandRidge, he served as director, President and Chief Operating Officer of Chesapeake Energy Corporation from the time he co-founded the

company in 1989 until February 2006. From February 2006 until June 2006, Mr. Ward managed his private investments. Mr. Ward graduated from the University of Oklahoma with a Bachelor of Business Administration in Petroleum Land Management. He is a member of the Board of Trustees of Anderson University in Anderson, Indiana.

Roy T. Oliver, Jr. Mr. Oliver was appointed as a director of SandRidge Energy, Inc. in 2006. Mr. Oliver has served as President of R.T. Oliver Investments, Inc., a diversified investment company with interests in energy, energy services, media and real estate, since August 2001. The company presently owns the largest portfolio of class A office properties in Oklahoma. He has served as Chairman and President of Valliance Bank, N.A. since August 2004. He founded U.S. Rig and Equipment, Inc. in 1980 and served as its President until its assets were sold in August 2003. Mr. Oliver is a graduate of the University of Oklahoma with a Bachelor of Business Administration degree. He serves on The University of Oklahoma Michael F. Price College of Business Board of Advisors.

Directors Continuing in Office until the 2012 Annual Meeting of Stockholders (Class III Directors)

Daniel W. Jordan. Mr. Jordan was appointed as a director of SandRidge Energy, Inc. in 2006. Mr. Jordan served as a director and Vice President of Lariat Compression Company from August 2003 to September 2005. From October 2005 through August 2006, Mr. Jordan served as Vice President, Business of Riata Energy, Inc., our predecessor. Since September 2006, Mr. Jordan has been involved in private investments. Prior to joining SandRidge, Mr. Jordan founded Jordan Drilling Fluids, Inc. and served as its Chairman, President and Chief Executive Officer from March 1984 to July 2005. Mr. Jordan sold Jordan Drilling Fluids, Inc. and its wholly owned subsidiary, Anchor Drilling Fluids USA Inc., in July 2005. At that time, Anchor Drilling Fluids USA Inc. was the largest privately held domestic drilling fluids firm.

Everett R. Dobson. Mr. Dobson was appointed as a director of SandRidge Energy, Inc. in 2009. He has served as Chairman for Dobson Technologies, a private landline, fiber optic and data storage business since November 2003. The founder of Dobson Communications Corporation, a telecommunications company listed on NASDAQ until its 2007 sale, Mr. Dobson served as its Chairman and Chief Executive Officer from 1996 until 2005 and as its Executive Chairman from 2005 until 2007, when the company was sold. Mr. Dobson holds a Bachelor of Arts degree in Economics from Southwestern Oklahoma State University and has served on its Foundation Board of Directors since 1991.

Directors Continuing in Office until the 2013 Annual Meeting of Stockholders (Class I Directors)

Jim J. Brewer. Mr. Brewer was appointed as a director of SandRidge Energy, Inc. in 2011. Mr. Brewer, a geologist, has almost 30 years of experience in the oil and gas business. In 1987, Mr. Brewer co-founded J-Brex Company, a private oil and gas and real estate company, of which he is the President. He co-founded Energynet.com, a large on-line oil and gas property auction service in 1999, and currently serves on its board of directors. Mr. Brewer has degrees in geology and mathematics from West Texas State University.

William A. Gilliland. Mr. Gilliland was appointed as a director of SandRidge Energy, Inc. in 2006. Mr. Gilliland has served as managing partner of several personal and family investment partnerships, including Gillco Energy, L.P. and Gillco Investments, L.P., since April 1999. Prior to this, Mr. Gilliland was the founder, Chairman, Chief Executive Officer and President and of Cross-Continent Auto Retailers, Inc. Mr. Gilliland holds a Bachelor of Business Administration from North Texas State University.

Jeffrey S. Serota. Mr. Serota was appointed as a director of SandRidge Energy, Inc. in 2007. He has served as a Senior Partner with Ares Management LLC, an alternative asset investment firm, since September 1997. Prior to joining Ares, Mr. Serota worked at Bear Stearns from March 1996 to September 1997, where he specialized in providing investment banking services to financial sponsor clients of the firm. He currently serves on the board of directors of EXCO Resources, Inc., WCA Waste Corporation and Douglas Dynamics, Inc.

Mr. Serota received a Bachelor of Science degree in Economics from the University of Pennsylvania's Wharton School of Business and received a Master of Business Administration degree from UCLA's Anderson School of Management.

Director Independence

The Board of Directors has determined that Messrs. Brewer, Dobson, Gilliland, Jordan, Oliver and Serota have no material relationships with the Company other than as directors and stockholders of the Company and are "independent" for purposes of the NYSE listing standards. In making these determinations, the Board considered all relevant facts and circumstances that could affect such person's exercise of independent judgment in carrying out the responsibilities of a director. The Board determined that Mr. Dobson's interest in the transaction between the Company and the Oklahoma City Thunder, whereby the Company has agreed to be a corporate sponsor for the team and purchase a suite license from the team, is not material because Mr. Dobson's minority ownership interest in the team is relatively small in value compared to his other business interests and the value derived by the Company pursuant to the sponsorship arrangement. Please see "Certain Relationships and Related Transactions" for a more detailed discussion of these transactions. The Board of Directors additionally has determined that all Audit Committee members meet the independence requirements for audit committee members set forth in Rule 10A-3 under the Securities Exchange Act of 1934, as amended ("Exchange Act").

Director Attendance at Meetings of the Board of Directors and Stockholder Meetings

The Board of Directors held 13 meetings during 2010, and each of the directors attended at least 75% of the meetings held in 2010.

Our non-management directors, all of whom are independent, meet in an executive session at each regularly scheduled Board of Directors meeting. The role of presiding director at each such meeting is rotated among the non-management directors.

The Board of Directors encourages interaction with stockholders and recognizes that annual meetings of the stockholders provide a venue where stockholders can access and interact with our directors. Accordingly, while we do not have a policy requiring our directors to attend annual meetings of the stockholders, each member of the Board of Directors is encouraged to attend the meetings. All of our directors attended the 2010 annual meeting of the stockholders.

Committees of the Board of Directors

The Board of Directors has an Audit Committee, a Nominating and Governance Committee and a Compensation Committee. Members of each committee are elected by the Board of Directors and serve until their successors are elected and qualified. Each of the committees of the Board of Directors has adopted a charter consistent with the rules of the NYSE, all of which can be found in the corporate governance section of our website at <http://www.sandridgeenergy.com>.

Audit Committee. The Audit Committee, which currently consists of Messrs. Brewer, Dobson and Gilliland, oversees and reports to the Board of Directors on various auditing and accounting-related matters, including the maintenance of the integrity of our financial statements, reporting process and internal controls; the selection, evaluation, compensation and retention of our independent registered public accounting firm; the performance of internal audit; legal and regulatory compliance, including our disclosure controls and procedures; and oversight over our risk management policies and procedures. Mr. Dobson serves as chairman of this committee, and Mr. Dobson has been determined by our Board of Directors to be an "audit committee financial expert" as defined under the rules of the SEC. The Audit Committee met four times during 2010, and each member of the committee attended at least 75% of all of the meetings held during this period.

Nominating and Governance Committee. The Nominating and Governance Committee, which consists of Messrs. Oliver and Jordan, advises the Board of Directors and makes recommendations regarding appropriate corporate governance practices; assists the Board of Directors with the identification and nomination of individuals qualified to become members of the Board of Directors; and maintains a succession plan for our Chief Executive Officer. Mr. Oliver serves as the chairman of this committee. The Nominating and Governance Committee met two times during 2010 and each member of the committee attended the meeting.

The Nominating and Governance Committee has the responsibility under its charter to recommend nominees for election to the Board of Directors. In considering candidates for the Board of Directors, the Nominating and Governance Committee considers the qualifications described on page 6 of this Proxy Statement. The Nominating and Governance Committee equally considers candidates for the Board of Directors recommended from any reasonable source, including from any search firm engaged by the committee or from stockholders, provided the procedures set forth below are followed by stockholders who want to make recommendations to the committee.

With respect to the nomination of directors at a stockholders meeting, the Nominating and Governance Committee will consider stockholder recommendations that are received by the Company's Corporate Secretary at 123 Robert S. Kerr Avenue, Oklahoma City, Oklahoma 73102 by December 31 of the year preceding such meeting.

A stockholder recommendation should set forth (i) the name and address of and number of shares of common stock owned by the recommending stockholder, (ii) information relating to the recommended candidate that would be required to be disclosed in a solicitation of proxies for the election of the candidate pursuant to Regulation 14A under the Exchange Act, (iii) a description of all agreements related to the nomination among the recommending stockholder, recommended candidate or other persons, and (iv) any other information the recommending stockholder believes would be useful in informing the committee's decision making.

In addition to making recommendations of director nominees to the Nominating and Governance Committee, stockholders may make director nominations or proposals at any annual meeting of the stockholders, provided they comply with the requirements set forth in our Bylaws and, for their nominations and proposals to be included in a proxy statement delivered by us, with Regulation 14A of the Exchange Act. See "General Information – Stockholder Proposals and Nominations" below.

Compensation Committee. The Compensation Committee, which currently consists of Messrs. Gilliland, Jordan and Oliver, establishes all compensation for our executive officers and reviews and makes recommendations with respect to our incentive compensation and benefit plans. Mr. Gilliland serves as chairman of the committee. The Compensation Committee met three times during 2010, and each member of the committee attended at least 75% of all of the meetings held during the period.

In 2010, the Compensation Committee directly retained the services of an independent compensation consulting firm, Longnecker & Associates ("Longnecker"), to perform comparative analyses of compensation paid by exploration and production companies that compete with us in the labor and capital markets. No member of the Compensation Committee or any named executive officer has any affiliation with Longnecker. The committee periodically seeks input from Longnecker on a range of external market factors, including evolving compensation and market trends, appropriate comparison companies and market survey data. Longnecker's analysis and recommendations are discussed further in the Compensation Discussion and Analysis below. Other than providing studies related to our executive and director compensation programs that are requested by the Compensation Committee, Longnecker performs no additional consulting services for the Company.

Report of the Audit Committee

The following is the report of the Audit Committee for the year ended December 31, 2010. The information contained in this report shall not be deemed to be “soliciting material” or to be “filed” with the Commission, nor shall such information be incorporated by reference into any future filing under the Securities Act of 1933 or the Securities Exchange Act of 1934, except to the extent that the Company specifically incorporates it by reference in such filing.

As of December 31, 2010, the Audit Committee was comprised of three directors, each of whom has been determined to be independent in accordance with the requirements of the rules and regulations of the Securities and Exchange Commission promulgated under the Securities Exchange Act of 1934 and the New York Stock Exchange listing standards.

The Audit Committee oversees the Company’s financial reporting process on behalf of the Board of Directors. Management has the primary responsibility for the preparation of the financial statements and the establishment and maintenance of the system of internal control. The independent registered public accounting firm is responsible for performing an independent audit of the Company’s consolidated financial statements and internal controls over financial reporting in accordance with the standards of the Public Company Accounting Oversight Board (“PCOAB”) and to issue a report thereon.

In performing its duties, the Audit Committee has:

- reviewed and discussed with the Company’s management and PricewaterhouseCoopers LLP (“PwC”), the Company’s independent registered public accounting firm, the audited financial statements contained in the Company’s Annual Report on Form 10-K for the year ended December 31, 2010;
- reviewed with the Company’s management internal control over financial reporting in accordance with the standards of the PCAOB, which review included a discussion of the quality, not just the acceptability, of the Company’s accounting principles, the reasonableness of significant judgments, and the clarity of disclosures in the financial statements;
- reviewed with PwC the Company’s internal control over financial reporting;
- reviewed with PwC its judgment as to the quality, not just the acceptability, of the Company’s accounting principles and other matters;
- discussed with PwC the overall scope and plans for its audit;
- met with PwC to discuss the results of its audit and the overall quality of the Company’s financial reporting; and
- met with the Company’s independent reservoir engineering consultants to discuss the Company’s process for determining oil and gas reserves.

During the Audit Committee’s review of the audited financial statements, management advised the Audit Committee that each set of financial statements reviewed had been prepared in accordance with generally accepted accounting principles. In addition, management discussed significant accounting and disclosure issues with the Audit Committee. With respect to its review of the Company’s internal control over financial reporting, the Committee noted that management advised that the Company was in compliance with Section 404 of the Sarbanes-Oxley Act of 2002.

The Audit Committee discussed with PwC the matters required to be communicated pursuant to AICPA Professional Standards Vol. 1 AU Section 380. The Audit Committee has received and reviewed the written communications and the letter from PwC required by the PCAOB regarding PwC’s communications with the Audit Committee concerning independence, and has discussed with PwC its independence. The Audit Committee determined that the non-audit services provided to the Company by PwC are compatible with maintaining PwC’s independence.

Based on the review and discussion referred to above, the Audit Committee recommended to the Board of Directors that the audited financial statements be included in the Company's Annual Report on Form 10-K for the year ended December 31, 2010 filed with the Securities and Exchange Commission.

This report is submitted on behalf of the Audit Committee.

Everett R. Dobson
William A. Gilliland
Jeffrey S. Serota

Compensation Committee Interlocks and Insider Participation

None of our executive officers serves as a member of the board of directors or compensation committee of any entity that has one or more of its executive officers serving as a member of our Board of Directors.

Corporate Governance Guidelines and Communications with Directors

Our Board of Directors has adopted corporate governance guidelines that define those governance practices of the Board that are not included in our Bylaws. Our Board of Directors has also adopted a Code of Business Conduct and Ethics, which contains general guidelines for conducting our business and applies to all of our officers, directors and employees, and a Financial Code of Ethics that applies to our Chief Executive Officer, Chief Financial Officer and Senior Vice President — Accounting. Our corporate governance guidelines and codes can be found in the corporate governance section of our website at <http://www.sandridgeenergy.com>.

Any stockholder or other interested party who desires to communicate with the Board of Directors, individual directors or committees of the Board of Directors may do so at any time by submitting his or her comments, questions or concerns, in writing by mail addressed to our Corporate Secretary at 123 Robert S. Kerr Avenue, Oklahoma City, Oklahoma 73102. A stockholder or other interested party should clearly indicate on the envelope the director or directors who are the intended recipients of the communication.

All such communications received by the Corporate Secretary will be forwarded to the director designated on the envelope. The Corporate Secretary will not filter out any such communications except for "spam" communications related to solicitation for products or services and items of a personal nature that are not relevant to a person's status as a stockholder. All communications designated for the Board of Directors will be forwarded to the Chairman of the Board of Directors. All communications designated for a particular committee of the Board of Directors will be forwarded to the chairman of that committee.

To report any issues relating to our accounting, accounting controls, financial reporting or other practices, employees, stockholders and other interested parties may call the confidential hotline at 1-866-206-2720. All calls will remain anonymous.

These policies and procedures are not intended to alter or amend the requirements a stockholder must satisfy in order to (1) present a stockholder proposal at a meeting of stockholders, (2) nominate a candidate for the Board of Directors, (3) recommend a candidate for the Board of Directors for consideration by the Nominating and Governance Committee as set forth in our Bylaws and described above in "— Committees of the Board of Directors" or (4) have the stockholder's proposal or nomination included in our proxy statement in accordance with Rule 14a-8 of the Exchange Act.

**PROPOSAL NO. 1
ELECTION OF DIRECTORS**

Board Nominees

Based upon the recommendation of our Nominating and Governance Committee, our Board of Directors has nominated Tom L. Ward and Roy T. Oliver for reelection as directors to the Board. If elected, each nominee would serve a three-year term expiring at the close of our 2014 annual meeting, or until his successor is duly elected. Biographical information of the nominees is furnished above under “Director Biographical Information.”

Our Board of Directors contemplates that each of the nominees will be able to serve if elected. However, if, prior to the Annual Meeting, a nominee becomes unable to serve, the persons named in the enclosed proxy will vote for the election of such other person as may be nominated by the Board of Directors in accordance with applicable SEC rules.

THE BOARD OF DIRECTORS RECOMMENDS THAT STOCKHOLDERS VOTE “FOR” EACH OF THE NOMINEES.

**PROPOSAL NO. 2
RATIFICATION OF SELECTION OF INDEPENDENT
REGISTERED PUBLIC ACCOUNTING FIRM**

The Audit Committee has directed the Company to submit the selection of PricewaterhouseCoopers LLP as the Company’s independent registered public accounting firm for the year ending December 31, 2011, for ratification by the stockholders at the Annual Meeting. Neither the Company’s Bylaws nor other governing documents nor applicable law require stockholder ratification of the selection of PricewaterhouseCoopers LLP as the Company’s independent registered public accounting firm. However, the Audit Committee is submitting the selection of PricewaterhouseCoopers LLP to the stockholders for ratification as a matter of good corporate practice. If the stockholders fail to ratify the selection, the Audit Committee will reconsider whether or not to retain that firm. Even if the selection is ratified, the Audit Committee may in its discretion direct the appointment of a different independent registered public accounting firm at any time during the year if it determines that such a change would be in the best interests of the Company and its stockholders.

A representative of PricewaterhouseCoopers LLP is expected to attend the Annual Meeting and will have the opportunity to make a statement, if he or she so desires, and will be available to respond to appropriate questions of stockholders.

Set forth below is a summary of the fees paid to our independent registered public accounting firm, PricewaterhouseCoopers LLP, for fiscal years 2010 and 2009.

	2010	2009
	(In thousands)	
Audit Fees	\$2,479	\$2,198
Audit-Related Fees	—	55
Tax Fees	88	160
All Other Fees	—	—
Total	\$2,567	\$2,413

Audit Fees. Audit fees consist primarily of fees billed for professional services rendered for the audit of our annual financial statements and internal controls over financial reporting, review of the financial statements included in each of our quarterly reports on Form 10-Q, assistance with and review of documents filed with the

SEC and/or used in conjunction with public and private securities offerings and work performed by tax professionals in connection with the audit and quarterly reviews. PricewaterhouseCoopers LLP has estimated that its audit fee for the annual audit of our financial statements for the 2011 fiscal year will be approximately \$1.3 million to \$1.45 million.

Audit-Related Fees. Audit-related fees consist primarily of due diligence, consultation regarding financial accounting and reporting standards and for the audit of financial statements presented in lieu of the financial statements required under Rule 3-05 of Regulation S-X with respect to certain assets acquired by the Company in 2010.

Tax Fees. Tax fees include all services performed by the firm's tax division other than those related to the audit of financial statements.

All Other Fees. Other fees consist primarily of all fees billed for products and services provided by the firm other than those reported above.

The Audit Committee is responsible for approving in advance any services to be performed by the independent registered public accounting firm. The Audit Committee may delegate its pre-approval authority for these services to one or more members, whose decisions shall be presented to the full Audit Committee at its scheduled meetings. Each of these services must receive specific pre-approval by the Audit Committee or its delegate unless the Audit Committee has provided general pre-approval for such category of services in accordance with policies and procedures that comply with applicable laws and regulations. All of the services described above under audit fees, audit-related fees and tax fees for 2009 and 2010 were specifically pre-approved by the Audit Committee.

THE BOARD OF DIRECTORS RECOMMENDS THAT STOCKHOLDERS VOTE "FOR" THE RATIFICATION OF THE SELECTION OF PRICEWATERHOUSECOOPERS LLP AS THE COMPANY'S INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR THE FISCAL YEAR ENDING DECEMBER 31, 2011.

PROPOSAL NO. 3

APPROVAL OF AN AMENDMENT TO THE SANDRIDGE ENERGY, INC. 2009 INCENTIVE PLAN TO INCREASE THE NUMBER OF SHARES OF COMPANY COMMON STOCK ISSUABLE UNDER THE PLAN

The Board of Directors has approved, subject to stockholder approval, an increase in shares of Company common stock issuable under the SandRidge Energy, Inc. 2009 Incentive Plan (the "2009 Incentive Plan"). The 2009 Incentive Plan was approved by stockholders at the Company's 2009 Annual Meeting of Stockholders. The purpose of the 2009 Incentive Plan is to contribute to the creation of stockholder value by enhancing the Company's ability to attract, retain and motivate key employees, officers, directors, consultants, and advisors of the Company, and to provide them with equity ownership opportunities and performance-based incentives designed to align their interests with those of the Company's stockholders. At the same time, the Board recognizes the importance of minimizing the dilutive effect of such awards. Accordingly, the 2009 Incentive Plan is designed to provide as much flexibility as possible for future equity incentive and performance bonus grants so that we can respond as necessary to provide competitive, effective compensation that is not unduly dilutive.

The 2009 Incentive Plan currently provides for up to 12,000,000 shares to be available for grants under the plan. As of March 31, 2011, 10,367,920 unvested shares of restricted stock were subject to grants under the 2009 Incentive Plan and 821,355 shares were available for grants under the 2009 Incentive Plan. We are proposing that 10,500,000 additional shares of common stock be authorized for grants under the 2009 Incentive Plan.

In addition to the 2009 Incentive Plan, historically the Company has provided equity incentives to its employees, consultants and directors through grants of restricted stock and other forms of equity-based compensation pursuant to the SandRidge Energy, Inc. 2005 Stock Plan (the "2005 Stock Plan"). The 2005 Stock Plan provides for up to 7,074,252 shares to be available for grants made under the plan. As of March 31, 2011, 1,822,403 unvested shares of restricted stock were subject to grants under the 2005 Stock Plan and 2,435,962 shares were available for grants under the 2005 Stock Plan.

If stockholders do not approve the proposal to increase the number of shares of common stock available under the 2009 Incentive Plan, the Company expects that it will have an insufficient number of shares available to make equity-based compensation a meaningful part of our employees' and officers' overall compensation. As such, the Company believes its ability to retain and attract talented personnel will be adversely affected due to the ability of the competitors of the Company to offer long-term equity compensation to those individuals. Additionally, we would have to consider providing additional cash compensation to our key employees to maintain competitive levels of compensation. Furthermore, our ability to align compensation with the interests of stockholders would be greatly diminished.

The following is a summary of major features of the 2009 Incentive Plan.

Description of the 2009 Incentive Plan

Nature of Awards. The 2009 Incentive Plan permits the grant of stock options, stock appreciation rights, shares of restricted stock, restricted stock units, and any other form of award based on the value (or the increase in value) of shares of the common stock of the Company. The 2009 Incentive Plan also permits cash incentive awards. Awards granted under the 2009 Incentive Plan generally vest to the extent certain conditions are met. Vesting criteria shall include the passage of time or the attainment of individual or Company performance objectives, or a combination of both.

Effective Date and Term. The 2009 Incentive Plan was approved by stockholders at the Company's 2009 annual meeting and became effective as of June 5, 2009. No awards shall be made under the 2009 Incentive Plan more than ten (10) years after its effective date.

Eligibility. Any current employee, officer, director, consultant, or advisor of the Company or any of the Company's present or future parent or subsidiary entities or any other business venture (including, joint ventures or limited liability companies) in which the Company has a controlling interest, as determined by the Compensation Committee, is eligible to be granted an award.

Administration. The 2009 Incentive Plan is administered by the Compensation Committee, which has authority to grant awards and determine recipients and terms of awards. The Compensation Committee has full authority to construe and interpret the terms of the 2009 Incentive Plan and the terms of any award certificates under the plan, and to determine all facts necessary to administer the plan and any such award certificates.

Stock Subject to the Plan. Subject to adjustments allowed under the 2009 Incentive Plan, awards may be made under the plan for up to 12,000,000 shares of common stock (22,500,000 shares if stockholders approve this proposal), all of which can be issued as incentive stock options meeting the requirements of Section 422 of the Internal Revenue Code of 1986, as amended (the "Code"). If any award expires or is terminated, surrendered or canceled without having been fully exercised, is forfeited in whole or in part, or results in any shares not being issued, the unused shares covered by such award shall again be available for grants under the plan. Further, shares tendered to the Company by a participant to exercise an award shall be added to the number of shares available for grants under the plan. Shares issued under the 2009 Incentive Plan may consist in whole or in part of authorized but unissued shares or treasury shares. The last trading price for a share of the Company's common stock on the NYSE on April 14, 2011 was \$11.80.

Substitute Awards. In connection with a merger or consolidation of an entity with the Company or the acquisition by the Company of property or stock of an entity, the Compensation Committee may grant awards in substitution for any options or other stock or stock-based awards granted by such entity or an affiliate thereof. Substitute awards may be granted on such terms as the Compensation Committee deems appropriate. Substitute awards shall not count against the overall share limit set forth in the 2009 Incentive Plan, except as may be required by law.

Stock Options. The Compensation Committee may grant options to purchase shares of common stock and determine the number of shares to be covered by each option, the exercise price of each option and the conditions and limitations applicable to the exercise of each option, including conditions relating to applicable federal or state securities laws, as it considers necessary or advisable.

An option that the Compensation Committee intends to be an incentive stock option shall only be granted to employees of the Company or any of the Company's present or future parent or subsidiary entities and any other entities the employees of which are eligible to receive incentive stock options under the Code, and shall be subject to and shall be construed consistently with the requirements of Section 422 of the Code.

The Compensation Committee shall establish the exercise price of each option and specify the exercise price in the award certificate. The exercise price of an award intended to be an incentive stock option shall be not less than 100% of the fair market value on the date the option is granted, except that, if any incentive stock option is granted to a person possessing more than ten percent (10%) of the total combined voting power of all classes of the stock of the Company or any parent or subsidiary of the Company (a "Ten Percent Shareholder"), the exercise price shall be not less than 110% of the fair market value of the shares subject to the option on the date the option is granted.

Each option granted under the 2009 Incentive Plan shall be exercisable at such times and subject to such terms and conditions as the Compensation Committee may specify in the applicable award certificate; provided, however, that no option shall be granted for a term of more than ten (10) years and no incentive stock option issued to a Ten Percent Shareholder shall have a term of more than five (5) years. No option shall permit deferred receipt of compensation on the option beyond the date of exercise, unless the Compensation Committee expressly determines that such option shall be subject to Section 409A of the Code.

Stock Appreciation Rights. A stock appreciation right ("SAR") is an award in the form of a right to receive cash or a share of common stock, upon surrender of the SAR, in an amount equal to the appreciation in the value of the share of common stock over a base price established in the award. The Committee may grant SARs either independently of stock options, or in tandem with stock options such that the exercise of the stock option or SAR cancels the tandem SAR or stock option. The minimum base price of a SAR granted under the 2009 Incentive Plan shall be the price set forth in the applicable award certificate, or, in the case of a SAR related to a stock option (whether already outstanding or concurrently granted), the exercise price of the related stock option.

Restricted Stock. The Compensation Committee may grant awards of restricted stock on the terms and conditions set forth by the Compensation Committee in the applicable restricted stock award, including the conditions for vesting and the issue price, if any.

Restricted Stock Units. The Compensation Committee may grant restricted stock units to any participant subject to the same conditions and restrictions as the Compensation Committee would have imposed in connection with an award of restricted stock. Each restricted stock unit shall have a value equal to the fair market value of one share of stock. Restricted stock units may be paid at such time and in such form as the Compensation Committee may determine in its discretion.

Other Stock-Based Awards. Other awards that are valued in whole or in part by reference to, or are otherwise based on, shares of stock or other property, may be granted under the 2009 Incentive Plan to participants in the plan. Such other share awards shall also be available as a form of payment in the settlement of other awards granted under the 2009 Incentive Plan or as payment in lieu of compensation to which a participant in the plan is otherwise entitled.

Cash Awards. Cash awards are awards under the 2009 Incentive Plan that provide participants with the opportunity to earn a cash payment based upon the achievement of one or more performance goals. For each performance period, the Compensation Committee shall determine the relevant performance criteria, the performance goal for each performance criterion, the level or levels of achievement necessary for awards to be paid, the weighting of the performance goals if more than one performance goal is applicable, and the size of the awards.

Performance Based Awards. Any award granted under the 2009 Incentive Plan may be granted as an award that satisfies the requirements for “performance-based compensation” within the meaning of Section 162(m) of the Code. With the exception of any stock option or SAR, an award that is intended to satisfy the requirements of a performance-based award shall be so designated at the time of grant. Stock options and SARs need not satisfy the specific performance criteria described below in order to qualify as performance-based awards.

The maximum aggregate number of shares of the Company’s common stock for which performance-based awards may be issued under the 2009 Incentive Plan in any calendar year to an individual participant shall not exceed 1,000,000, and the maximum amount that may be earned as a cash award for a performance period for a single calendar year by any individual participant is \$2,000,000 and the maximum amount that may be earned as a cash award for a performance period of greater than a single calendar year by any individual participant is \$6,000,000.

In the case of awards intended to qualify as performance-based awards, the performance criteria shall be selected only from among the criteria set forth in the plan. Any of the performance criteria may be used to measure the performance of the Company, a subsidiary, or affiliate as a whole or any business unit of the Company, a subsidiary, or affiliate or any combination thereof, as the Compensation Committee may deem appropriate, or any of the above performance criteria as compared to the performance of a group of comparable companies, or published or special index that the Compensation Committee deems appropriate. The Compensation Committee also has the authority to provide for accelerated vesting of any award based on the achievement of the performance criteria.

Before any performance-based award (other than stock options and SARs) is paid, the Compensation Committee must certify in writing (by resolution or otherwise) that the applicable performance goal(s) and any other material terms of the award have been satisfied; provided that the Compensation Committee shall have authority to pay a performance-based award without regard to the applicable performance criteria in the event of the award holder’s death or disability, or if there is a change in control of the Company.

The Compensation Committee shall have discretion to determine the conditions, restrictions or other limitations, in accordance with, and subject to, the terms of the 2009 Incentive Plan and Section 162(m) of the Code, on the payment of individual awards granted as performance-based awards. To the extent set forth in an award certificate, the Compensation Committee may reserve the right to adjust the amount payable in accordance with any standards or on any other basis (including the Compensation Committee’s discretion), as the Compensation Committee may determine; provided, however, that in the case of awards intended to qualify as performance-based awards, such adjustments shall meet the requirements of Section 162(m) of the Code.

Adjustments Due to Changes in Capitalization or Control. In the event of any stock split, reverse stock split, stock dividend, recapitalization, combination of shares, reclassification of shares, spin-off or other similar change in capitalization or event, or any dividend or distribution to holders of shares of common stock other than an

ordinary cash dividend, (1) the number and class of securities available under the 2009 Incentive Plan, (2) the number and class of securities and exercise price per share of each outstanding option, (3) the number of shares of common stock subject to and the repurchase price per share subject to each outstanding restricted stock award, and (4) the terms of each other outstanding award, shall be equitably adjusted by the Company in the manner determined by the Compensation Committee.

In connection with a change in control, the Compensation Committee shall take any one or more of the following actions as to all or any (or any portion of) outstanding awards other than restricted stock awards on such terms as the Compensation Committee determines: (1) provide that awards shall be assumed, or substantially equivalent awards shall be substituted, by the acquiring or succeeding entity, (2) upon written notice to a participant, provide that the participant's unexercised awards will terminate immediately prior to the consummation of the change in control unless exercised by the participant within a specified, reasonable period following the date of such notice, (3) provide that outstanding awards shall become exercisable, realizable, or deliverable, or restrictions applicable to an award shall lapse, in whole or in part before or upon the change in control, (4) if holders of shares will receive upon consummation of the change in control a cash payment for each share surrendered in the change in control, make or provide for a cash payment to a participant equal to the excess, if any, of (A) the consideration received by shareholders generally with respect to the change in control (the "change in control price") times the number of shares subject to the participant's awards (to the extent the exercise price does not exceed the change in control price) over (B) the aggregate exercise price of all such outstanding awards and any applicable tax withholdings, in exchange for the termination of such awards, (5) provide that, in connection with a liquidation or dissolution of the Company, awards shall convert into the right to receive liquidation proceeds (if applicable, net of the exercise price thereof and any applicable tax withholdings) and (6) any combination of the foregoing. The Compensation Committee shall not be obligated to treat all awards, all awards held by a participant, or all awards of the same type, identically.

Upon the occurrence of a change in control, except to the extent specifically provided to the contrary in the restricted stock award or any other agreement between a participant and the Company, all restrictions and conditions on all restricted stock awards then outstanding shall automatically lapse and be deemed terminated or satisfied, as applicable.

Transferability of Awards. Unless otherwise provided by the Compensation Committee, awards are generally nontransferable, either voluntarily or by operation of law, except by will or the laws of descent and distribution or, other than in the case of an incentive stock option, pursuant to a qualified domestic relations order, and, during the life of a holder of an award, shall be exercisable only by such holder.

Termination of Employment. The Compensation Committee shall determine the effect on an award due to the disability, death, termination or other cessation or change in the employment or other status of a participant in the 2009 Incentive Plan and the extent to which the participant or the participant's legal representative may exercise rights under the award.

Tax Withholding. A participant in the 2009 Incentive Plan must satisfy all applicable federal, state, and local or other income and employment tax withholding obligations before the Company will deliver stock certificates or otherwise recognize ownership of shares of stock subject to an award. Payment of withholding obligations is due before the Company will issue any shares of stock on exercise or release from forfeiture of an award or, if the Company so requires, at the same time as is payment of the exercise price unless the Company determines otherwise.

Amendment of Awards and the 2009 Incentive Plan. The Compensation Committee may amend, modify or terminate any outstanding award; provided, however, that no outstanding award may be amended to reduce the exercise price of a stock option, SAR or other similar award. Consent by a participant to any amendment shall be required unless the Compensation Committee determines that the action would not materially and adversely affect the participant's rights under the Plan.

The Compensation Committee may amend, suspend or terminate the 2009 Incentive Plan or any portion of the plan at any time; provided that if at any time the approval of the Company's stockholders is required as to any modification or amendment under Section 422 of the Code with respect to incentive stock options, the Compensation Committee may not effect such modification or amendment without such approval. Unless otherwise specified in the amendment, any amendment to the 2009 Incentive Plan shall apply to, and be binding on the holders of, all awards outstanding under the plan at the time the amendment is adopted, provided the Compensation Committee determines that such amendment does not materially and adversely affect the rights of participants under the plan.

Acceleration. The Compensation Committee may at any time provide that any award shall become immediately exercisable in full or in part, free of some or all restrictions or conditions, or otherwise realizable in full or in part.

Federal Income Tax Consequences

Under current federal tax law, the following are the United States federal income tax consequences generally arising with respect to restricted stock and stock options, stock appreciation rights, and cash awards granted under the 2009 Incentive Plan. The discussion is not a complete analysis of all federal income tax consequences and does not cover all specific transactions which may occur.

Restricted Stock. In general, no income will be recognized by an award holder for U.S. federal income tax purposes upon the grant of restricted stock. On the date that the restrictions on the shares lapse, the award holder will recognize ordinary income in an amount equal to the fair market value of the shares on that date (minus any amount the award holder paid for the shares). Income recognized by an award holder who is an employee is compensation subject to withholding; as a result, the Company must make the necessary arrangements with the award holder to ensure that the proper amount is withheld. The Company can deduct the amount of income recognized by the award holder, subject to certain limitations. An award holder's adjusted basis in the stock received is equal to the ordinary income recognized by the award holder. If an award holder thereafter sells the stock, any amount realized over (or under) the adjusted basis of the stock will constitute capital gain (or loss) to the award holder for U.S. federal income tax purposes. If an award holder forfeits an award before the restrictions lapse, the award holder will not recognize gain or loss as a result of such forfeiture.

Upon the grant of restricted stock, an award holder may file an election under Section 83(b) of the Code to accelerate the recognition of ordinary income to the grant date of the award. Such ordinary income is equal to the fair market value of the shares of stock on the grant date (minus any amount the award holder pays for the shares) and is compensation subject to withholding for employees. If an award holder subsequently forfeits the stock or the stock depreciates in value after a Section 83(b) election is filed, the holder will not be eligible for capital loss treatment with respect to the stock.

Incentive Stock Options. There are no tax consequences associated with the grant or timely exercise of an incentive stock option. If an award holder holds the shares of stock acquired upon the exercise of an incentive stock option for at least one year after exercise and two years after the grant of the option, the holder will recognize capital gain or loss upon sale of the stock equal to the difference between the amount realized on the sale and the exercise price. If the stock is not held for the required period, the award holder will recognize ordinary income upon disposition in an amount equal to the excess of the fair market value of the stock on the date of exercise over the exercise price, up to the amount of the gain on disposition. Any additional gain realized by the holder upon disposition will be capital gain. The excess of the fair market value of stock received upon the exercise of an incentive stock option over the option price for the stock is a preference item for purposes of the alternative minimum tax. An expense deduction by the Company in connection with the exercise of an incentive stock option is not allowed unless the award holder recognizes ordinary income.

Nonqualified Stock Options. Generally, no income will be recognized by an award holder for U.S. federal income tax purposes upon the grant of a nonqualified stock option. Upon exercise of a nonqualified stock option, the award holder will recognize ordinary income in an amount equal to the excess of the fair market value of the stock on the date of exercise over the exercise price. Income recognized by an award holder who is an employee will be considered compensation subject to withholding at the time the income is recognized; as a result, the Company must make the necessary arrangements with the holder to ensure that the proper amount is withheld. Nonqualified stock options provide the Company with a deduction equal to the amount of income recognized by the award holder, subject to certain limitations. The adjusted basis of stock transferred to an award holder pursuant to the exercise of a nonqualified stock option is the price paid for the stock plus an amount equal to any income recognized by the award holder as a result of the exercise of the option. If an award holder thereafter sells stock acquired upon exercise of a nonqualified stock option, any amount realized over (or under) the adjusted basis of the stock will constitute capital gain (or loss) to the award holder for U.S. federal income tax purposes.

Stock Appreciation Rights. Generally, no income will be recognized by an award holder for U.S. federal income tax purposes upon the grant of a stand-alone or tandem SAR. Upon exercise of a SAR, the award holder will recognize ordinary income in an amount equal to the excess of the fair market value of the stock on the date of exercise over the exercise price. Income recognized by an award holder who is an employee is compensation subject to withholding at the time the income is recognized; as a result, the Company must make the necessary arrangements with the award holder to ensure that the proper amount is withheld. SARs provide the Company with a deduction equal to the amount of income recognized by the award holder, subject to certain limitations. The adjusted basis of common stock transferred to an award holder pursuant to the exercise of a SAR is the price paid for the stock plus an amount equal to any income recognized by the award holder as a result of the exercise of the SAR. If an award holder thereafter sells stock acquired upon exercise of a SAR, any amount realized over (or under) the adjusted basis of the stock will constitute capital gain (or loss) to the award holder for U.S. federal income tax purposes.

Cash Awards. When a cash award is paid or otherwise made available to a participant, the award holder will recognize ordinary income in an amount equal to the cash received or made available. Income recognized by an award holder who is an employee is compensation subject to withholding at the time the cash is received and, therefore, the Company must properly withhold the required tax.

New Plan Benefits

Shares of common stock issuable pursuant to the terms of the 2009 Incentive Plan are and will continue to be available for awards to all eligible participants of the plan. The Board of Directors has not at this time approved any future awards under the 2009 Incentive Plan, and, as a result, the identity of future award recipients and the size and terms of future awards are not known at this time.

Equity Compensation Plan Information

The following table includes certain information as of December 31, 2010 regarding our equity incentive plans:

<u>Plan Category</u>	<u>Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)</u>	<u>Weighted-average exercise price of outstanding options, warrants and rights (b)</u>	<u>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)</u>
Equity compensation plans approved by stockholders(1)	—	—	4,995,398
Equity compensation plans not approved by stockholders(2)	—	—	2,085,333

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- (1) Includes shares available for issuance under the 2009 Incentive Plan.
 - (2) Includes shares available for issuance under the 2005 Stock Plan.

Reasons for Shareholder Approval and Threshold

NYSE Rule 303A.08 requires a company listed on the NYSE to seek stockholder approval when the company establishes or materially amends any plan or other arrangement that provides for the delivery of equity securities of the company to any employee, director or other service provider as compensation for services.

The proposed amendment to the 2009 Incentive Plan will be approved if holders of a majority of outstanding shares of common stock entitled to vote at the Annual Meeting vote in favor of the proposal.

Consequences of Non-Approval

The Company considers stockholder approval of the amendment to the 2009 Incentive Plan to be critical to the Company's ability to retain and attract employees, officers, directors, consultants, and advisors whose services are necessary to carry out the Company's business plan. If the stockholders do not approve the proposed amendment to the 2009 Incentive Plan, the Company believes its ability to retain and attract talented personnel will be adversely affected due to the ability of the competitors of the Company to offer long-term equity compensation to talented individuals under equity plans already in place. Additionally, we would have to consider providing additional cash compensation to our key employees to maintain competitive levels of compensation. However, our ability to align the compensation provided to our employees and officers with the interests of stockholders would be lost.

THE BOARD OF DIRECTORS RECOMMENDS THAT STOCKHOLDERS VOTE "FOR" THE PROPOSED AMENDMENT TO THE 2009 INCENTIVE PLAN.

PROPOSAL NO. 4 APPROVAL, IN A NON-BINDING VOTE, OF THE COMPENSATION PROVIDED TO THE COMPANY'S NAMED EXECUTIVE OFFICERS

Section 14A of the Exchange Act requires a public company, such as SandRidge, to permit its stockholders to cast a non-binding advisory vote on the company's executive compensation, as disclosed pursuant to the SEC's executive compensation disclosure rules. Accordingly, the Company is providing stockholders the opportunity to cast a non-binding advisory vote at the Annual Meeting on the compensation of the Company's named executive officers through the following resolution:

"RESOLVED, that the compensation paid to the Company's named executive officers, as disclosed pursuant to Item 402 of Regulation S-K, including the Compensation Discussion and Analysis, compensation tables, and narrative discussion is hereby **APPROVED**."

As discussed in the Compensation Discussion and Analysis below, SandRidge believes that its executive compensation and compensation practices and policies are reasonable in comparison to its peer group of companies, are focused on pay-for-performance principles, are strongly aligned with the long-term interest of stockholders and succeed in attracting, retaining and motivating experienced, highly-qualified executives who have been critical to SandRidge's success and the enhancement of stockholder value. The Board of Directors believes that the Company's commitment to these responsible compensation practices justifies a vote by the shareholders **FOR** the proposal above.

Because this vote is advisory, it will not be binding on, overrule any decision made or create or imply any additional fiduciary duty by the Board of Directors. The Company recognizes that stockholders have a fundamental interest in the Company's executive compensation practices. Thus, the Compensation Committee may take into account the outcome of the vote when considering future executive compensation arrangements.

THE BOARD OF DIRECTORS RECOMMENDS THAT STOCKHOLDERS VOTE "FOR" THE APPROVAL OF THE COMPENSATION PROVIDED TO THE COMPANY'S NAMED EXECUTIVE OFFICERS.

PROPOSAL NO. 5

RECOMMEND, IN A NON-BINDING VOTE, WHETHER A NON-BINDING STOCKHOLDER VOTE TO APPROVE THE COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS SHOULD OCCUR EVERY ONE, TWO OR THREE YEARS

Section 14A of the Exchange Act requires a public company, such as SandRidge, to permit its stockholders to cast a non-binding advisory vote once every six years to determine whether advisory votes on executive compensation should be held every one, two or three years. Accordingly, the Company is providing stockholders the opportunity to cast a non-binding advisory vote at the Annual Meeting.

For the reasons discussed below, the Board believes that conducting future advisory votes on executive compensation **EVERY THREE YEARS** is consistent with our executive compensation programs and will facilitate meaningful stockholder feedback on executive compensation matters.

In voting on this resolution, each stockholder should mark its proxy for one, two or three based on the stockholder's preference on how often an advisory vote on executive compensation should be held. If a stockholder has no preference, the stockholder may abstain.

Due to the nature of the Company's business and operations, the Company's executive compensation programs are largely designed to reward performance over a multi-year period. This is best evidenced by the approximate 18-month time period necessary to shift the Company's focus from natural gas production to oil production in 2009 and 2010, as discussed in the Compensation Discussion and Analysis below. In the Company's view, votes on the Company's executive compensation programs should correlate with the Company's longer-term business planning cycles. An annual vote on compensation practices would shift stockholder and Company focus to short-term financial results that may not be in the interest of long-term value creation for stockholders.

A triennial vote provides stockholders and proxy advisory firms with time to evaluate, in the most thoughtful and informed manner, the effectiveness of both short-term and long-term compensation strategies and related business outcomes. A triennial vote also gives the Board of Directors time to thoughtfully consider stockholder concerns and implement any appropriate changes to compensation. In addition, other mechanisms, such as requirements for stockholder approval of employee stock plans and other compensation related matters, allow stockholders to provide input on an ongoing basis, including in years when votes on executive compensation do not occur.

Because this vote is advisory, it will not be binding on, overrule any decision made or create or imply any additional fiduciary duty by the Board of Directors.

THE BOARD OF DIRECTORS RECOMMENDS THAT STOCKHOLDERS VOTE IN FAVOR OF HOLDING AN ADVISORY VOTE ON COMPENSATION PROVIDED TO THE COMPANY'S NAMED EXECUTIVE OFFICERS EVERY "THREE YEARS."

EXECUTIVE OFFICERS AND COMPENSATION

Executive Officers

Set forth below is information regarding each of our executive officers as of March 31, 2011:

<u>Name</u>	<u>Age</u>	<u>Position</u>
Tom L. Ward	51	Chairman and Chief Executive Officer
Matthew K. Grubb	47	President and Chief Operating Officer
James D. Bennett	41	Executive Vice President and Chief Financial Officer
Rodney E. Johnson	54	Executive Vice President – Reservoir Engineering
Todd N. Tipton	55	Executive Vice President – Exploration
Wayne C. Chang	49	Senior Vice President – Midstream
Randall D. Cooley	57	Senior Vice President – Accounting
Philip T. Warman	40	Senior Vice President, General Counsel and Corporate Secretary
Kevin R. White	53	Senior Vice President – Business Development
Mary L. Whitson	50	Senior Vice President – Human Resources
Thomas L. Winton	64	Senior Vice President – Information Technology and Chief Information Officer

Tom L. Ward. Mr. Ward has served as our Chairman and Chief Executive Officer since June 2006 and was our President from December 2006 until January 2011. Biographical information about Mr. Ward can be found above under the heading “Election of Directors – Director Nominees.”

Matthew K. Grubb. Mr. Grubb has served as our President since January 2011 and as our Chief Operating Officer since June 2007. Prior to this, he had served as our Executive Vice President – Operations since August 2006. Mr. Grubb was employed by Samson Resources beginning in 1995 and served as Division Operations Manager of East Texas and Southeast U.S. Regions for Samson Resources from 2002 through July 2006. Mr. Grubb earned a Bachelor of Science degree in Petroleum Engineering in 1986 and a Master of Science degree in Mechanical Engineering in 1988, both from Texas A&M University.

James D. Bennett. Mr. Bennett has served as our Executive Vice President and Chief Financial Officer since January 2011. From 2010 until he joined SandRidge, he was Managing Director for White Deer Energy, a private equity fund focused on the exploration and production, oilfield service and equipment, and midstream sectors of the oil and gas industry. From 2006 to December 2009, he was a Managing Director at GSO Capital Partners L.P. Mr. Bennett graduated with a Bachelor of Business Administration degree with a major in Finance from Texas Tech University in 1993. Mr. Bennett has served on the board of directors of the general partner of Cheniere Energy Partners L.P. and PostRock Energy Corporation.

Rodney E. Johnson. Mr. Johnson joined us as Vice President of Reservoir Engineering in January 2007 and was promoted to Senior Vice President – Reservoir Engineering in June 2007 and then to Executive Vice President – Reservoir Engineering in January 2009. He most recently served as Manager of Reservoir Engineering over Texas and Louisiana Regions for Chesapeake Energy Corporation from October 2003 through December 2006. Prior to that, Mr. Johnson served as Manager of Technology for Aera Energy LLC (a joint venture of Exxon Mobil Corporation and Royal Dutch Shell plc) where he held positions of increasing importance from 1996 through September 2003. Mr. Johnson graduated from Wichita State University in 1980 with a Bachelor of Science degree in Mechanical Engineering. He has been a registered Professional Engineer since 1988.

Todd N. Tipton. Mr. Tipton joined us as Executive Vice President – Exploration in September 2006. Prior to this, he was Exploration Manager of the Western Division from 2001 through August 2006 for Devon Energy Corporation. He received a Bachelor degree in Geology from The State University of New York at Buffalo in

1977 and completed an executive development program at The Johnson Graduate School of Management at Cornell University. Mr. Tipton is a member of the Rocky Mountain Association of Geologists and a member of the Independent Petroleum Association of Mountain States.

Wayne C. Chang. Mr. Chang joined us as Vice President – Midstream in February 2007 and was promoted to Senior Vice President – Midstream in January 2009. Mr. Chang most recently served as the Director of Producer Services for Enogex, Inc., the largest gas gatherer and intrastate transporter of gas in the State of Oklahoma. Prior to this, he worked for diversified oil and gas companies such as Conoco Inc., Phillips Petroleum Company and Chesapeake Energy Corporation focusing on the midstream sector. Mr. Chang graduated from the University of Oklahoma with a Bachelor of Science Degree in Chemical Engineering in 1984.

Randall D. Cooley. Mr. Cooley joined us as Vice President – Accounting in November 2006, upon our acquisition of NEG Oil & Gas LLC and was promoted to Senior Vice President – Accounting in January 2008. Prior to joining SandRidge, Mr. Cooley served as the senior financial officer with National Energy Group, Inc., having held the position of Vice President and Chief Financial Officer from March 2003 to November 2006. Mr. Cooley earned a Bachelor of Science in Business Administration, with a major in Accounting, from the University of Southern Mississippi in 1978 and is a Certified Public Accountant.

Philip T. Warman. Mr. Warman joined us as Senior Vice President and General Counsel in August 2010. He also serves as our Corporate Secretary. Prior to joining SandRidge, Mr. Warman was the Associate General Counsel for SEC and finance matters for Spectra Energy Corporation from January 2007 through July 2010. From 1998 through 2006 he practiced law as a corporate finance attorney with Vinson & Elkins, LLP in Houston, Texas. Mr. Warman earned a Bachelor of Science in Chemical Engineering from the University of Houston in 1993 and graduated from the University of Texas School of Law in 1998.

Kevin R. White. Mr. White joined us as Senior Vice President – Business Development in January 2008. Prior to joining SandRidge, he worked for six years as a consultant in the oil and gas industry. Mr. White served as Executive Vice President of Corporate Development and Strategic Planning for Louis Dreyfus Natural Gas Corp. from 1993 until the company was sold in 2001. He attended Oklahoma State University, receiving his Bachelor of Science degree in Accounting in 1979 and a Master of Science degree in Accounting and his Certified Public Accountant qualification in 1980.

Mary L. Whitson. Ms. Whitson has served as our Senior Vice President – Human Resources since September 2006. Ms. Whitson was the Vice President – Human Resources for Chesapeake Energy Corporation through August 2006, where she held human resources management positions of increasing responsibility for more than eight years. She attended Oklahoma State University and received a Bachelor of Science degree from the University of Central Oklahoma in 1996.

Thomas L. Winton. Mr. Winton has served as our Senior Vice President – Information Technology and Chief Information Officer since May 2006. Prior to joining us, Mr. Winton served as Senior Vice President and Chief Information Officer for Chesapeake Energy Corporation from July 1998 until retiring in July 2005. Mr. Winton obtained a Bachelor of Science degree in Mathematics from Oklahoma Christian University in 1969, a Master of Mathematics degree from Creighton University in 1973, and a Masters degree in Business Administration from the University of Houston in 1980. Mr. Winton also completed the Tuck Executive Program, Tuck School of Business, Dartmouth College in 1987.

Compensation Discussion and Analysis

This Compensation Discussion and Analysis (1) provides an overview of our compensation policies and programs; (2) explains our compensation objectives and practices with respect to our executive officers; and (3) summarizes the elements of compensation for each of the individuals identified in the following table, whom we refer to in this Compensation Discussion and Analysis as our “named executive officers.”

<u>Name</u>	<u>Principal Position</u>
Tom L. Ward	Chairman and Chief Executive Officer
Matthew K. Grubb	President and Chief Operating Officer
Dirk M. Van Doren(*)	Former Executive Vice President and Chief Financial Officer
Todd N. Tipton	Executive Vice President – Exploration
Rodney E. Johnson	Executive Vice President – Reservoir Engineering

* On November 10, 2010, the Company announced the departure of Dirk Van Doren, who held the role of Executive Vice President and Chief Financial Officer of the Company. Mr. Van Doren’s employment with the Company ended effective December 31, 2010.

Overview

We believe a strong, experienced senior management team is necessary to execute our business plan. Accordingly, our compensation philosophy reflects our need to attract, retain and motivate top talent and supports our position as an employer of choice in the oil and gas industry. Our competitive compensation package allows us to strategically and opportunistically attract executive officers by offering competitive cash compensation packages and the potential of returns that can be achieved through equity ownership, evidenced by the fact that all of our named executive officers joined us during periods of intense competition for experienced exploration and production company executives. Their retention creates value for our Company and stockholders through the continuity we maintain in our leadership and operations.

Our compensation program remained competitive in recent periods of declining stock price, primarily because the reasons for such declines were a direct result of a declining commodity market and not a result of management decisions. As illustrated below, providing competitive compensation to our executive team was particularly important during 2010, even in light of such declines in market value, in order to ensure the successful transition of the Company during a waning natural gas market.

- In 2008 and the first half of 2009, the Company generated substantially all of its revenue from natural gas production.
- During that period, the Company had as many as 44 rigs drilling for natural gas, and natural gas sold for as much as \$13.00 per Mcf and, at the end of 2008, on an equivalent unit basis, for approximately the same price as oil.
- The high price of gas notwithstanding, the Company’s management team identified the potential for a prolonged period of low natural gas prices and moved aggressively to shift the Company’s focus from natural gas production to oil production in the second half of 2009 and through 2010.
- From 2008 to 2010, the Company increased its oil production by over 300% and reduced the number of rigs drilling for natural gas to one.
- Meanwhile, natural gas prices tumbled to less than \$3.00 per Mcf and have failed to significantly recover as oil prices have continued to increase.
- At the end of 2010, the price for natural gas, on an equivalent unit basis, was less than one-third the price for oil.

- The benefits of this strategic and timely shift to oil were solidified as the Company, under management’s direction, entered into derivatives contracts that locked in attractive prices for oil through 2013.

It is our belief that the Company’s current position as a premier independent oil producer in West Texas and the Mid-Continent is a direct result of attracting, retaining and motivating its current strong and experienced management team with the compensation discussed below. As described above and detailed further below under “Performance Evaluation,” we believe the Company has benefitted greatly from the leadership provided by the management team for which our executive compensation program is designed.

Philosophy

As illustrated in the table below, our philosophy for compensating executive officers, including our named executive officers, is to employ measured amounts of various types of compensation to achieve multiple and varied objectives.

Compensation Element	General Objectives	Key Features
Base Salary	Provide a fixed level of cash compensation for performing day-to-day responsibilities	Salary levels are intended to be competitive with our peers, while aligned with individual responsibilities and performance.
Cash Bonus Awards	Reward near-term operational and financial performance	Discretionary payments are intended to be competitive with our peers, while aligned with individual responsibilities and performance.
Long-Term Incentives	Align executives’ compensation with interests of stockholders, encourage retention and reward long-term operational and financial performance	Semi-annual restricted stock grants vest ratably over four years.
Health, Welfare and Retirement Benefits	Maintain a competitive position in terms of attracting and retaining executives	Participation in health, welfare and 401(k) plans is on the same terms for all employees. Non-qualified deferred compensation plan is available to executives and certain other eligible employees.
Perquisites	Maintain a competitive position in terms of attracting and retaining executives though not intended to represent a significant role in total compensation	Includes benefits that provide for the protection and well-being of our Chief Executive Officer, including air travel, some personal security services and accounting support.

Additionally, we have entered into written employment agreements with each of our executive officers, including each named executive officer, to help ensure the retention of these individuals in a highly competitive marketplace.

Process

As further discussed below, Mr. Ward and our Senior Vice President – Human Resources assume active roles in the evaluation, design and administration of our compensation program for all of our executive officers, including the named executive officers. Mr. Grubb and our Chief Financial Officer (Dirk M. Van Doren in 2010 and now James D. Bennett) participate in making recommendations regarding, and administering, the program for other of our executive officers.

The Compensation Committee typically reviews the components of our executive officer compensation program on a semi-annual basis, in December and June of each year, and approves adjustments as it deems appropriate. The Compensation Committee has selected and directly retained the services of an independent compensation consulting firm, Longnecker & Associates (“Longnecker”), to perform comparative analyses of compensation paid by exploration and production companies that compete with us in the labor and capital markets. No member of the Compensation Committee or any named executive officer has any affiliation with Longnecker. The committee periodically seeks input from Longnecker on a range of external market factors, including evolving compensation and market trends, appropriate comparison companies and market survey data.

Our Senior Vice President – Human Resources works with the Compensation Committee and Longnecker to establish an agenda and prepare meeting materials for each meeting during which the committee reviews the compensation of our executive officers. Mr. Ward and our Senior Vice President – Human Resources typically attend and participate in all or a portion of each Compensation Committee meeting, depending on the nature of the matters to be discussed. For the December 2009 and June and December 2010 compensation reviews, and taking into account the input of Messrs. Grubb and Van Doren, Mr. Ward provided his recommendations regarding each element of executive officer compensation at the same time Longnecker provided its analysis. After receiving recommendations and analysis from Mr. Ward and Longnecker and considering the totality of the information provided, including its assessment of Company and individual performance, the Compensation Committee determined appropriate adjustments to our executives’ compensation.

Peer Company Comparison

Our Compensation Committee recognizes that the amount of compensation we provide to our executive officers must be competitive in the marketplace and believes that industry trends should be considered when assessing the forms and amounts of compensation provided to our executive officers. To ensure the Company’s compensation practices are competitive, the committee takes into account the levels of compensation paid to executives in comparative positions in our industry when determining the compensation to be paid to our executive officers. The committee does not, however, target or benchmark a specific percentile or range of percentiles, when compared to pay at such other companies, for any element of any executive officer’s compensation or any executive’s compensation as a whole.

For the purpose of the Compensation Committee’s review of compensation paid to our executive officers in 2010, the committee reviewed information assembled by Longnecker, which consisted of the executive compensation programs of the following companies:

Mid-sized Peer Companies	Large Peer Companies
ATP Oil & Gas Corporation	Anadarko Petroleum Corporation
Denbury Resources Inc.	Apache Corporation
Forest Oil Corporation	Chesapeake Energy Corporation
Mariner Energy, Inc.	Devon Energy Corporation
Newfield Exploration Company	EOG Resources, Inc.
Petrohawk Energy Corporation	Noble Energy, Inc.
Pioneer Natural Resources Company	
Plains Exploration & Production Company	
Range Resources Corporation	
Southwestern Energy Company	
Ultra Petroleum Corp.	

We refer to the companies whose compensation program information was used by the Compensation Committee collectively as our “Peer Companies.”

We believe we must recruit and retain executive officers with significant and diverse experience and skills to properly execute our business plan. In order to compete with larger Peer Companies for appropriately qualified officers who are capable of handling a high degree of responsibility, we often pay compensation levels that are greater than those of mid-sized Peer Companies with total revenues comparable to ours. With the advice of Longnecker, our Compensation Committee may periodically review and update the companies that comprise our Peer Companies in order to continually make informed decisions regarding our executive compensation program.

At the time of the December 2010 compensation review, the amount of total direct compensation provided to our Chief Executive Officer ranked above and equal to the 90th percentiles of such amounts provided to executive officers at mid-sized Peer Companies and large Peer Companies, respectively. The amount of total direct compensation provided to our other named executive officers ranked below the 75th and 50th percentiles of the amounts of total direct compensation provided to executive officers at mid-sized Peer Companies and large Peer Companies, respectively. The table below illustrates how each named executive officer’s total cash compensation and long-term incentive compensation (which, at the Company, is comprised of restricted stock awards) compare to similar compensation for comparable positions at mid-sized Peer Companies and large Peer Companies.

Named Executive Officer	Total Cash Compensation at Mid-Sized Peer Companies	Total Cash Compensation at Large Peer Companies	Long-Term Incentive Compensation at Mid-Sized Peer Companies	Long-Term Incentive Compensation at Large Peer Companies
Tom L. Ward	Above 90 th percentile	Below 75 th percentile	Above 90 th percentile	At 90 th percentile
Matthew K. Grubb	Above 90 th percentile	Below 75 th percentile	Below 75 th percentile	Below 50 th percentile
Dirk M. Van Doren	Above 90 th percentile	Below 75 th percentile	Below 90 th percentile	Below 50 th percentile
Todd N. Tipton	At 75 th percentile	Below 50 th percentile	Below 50 th percentile	Below 50 th percentile
Rodney E. Johnson	Below 90 th percentile	Below 75 th percentile	Below 50 th percentile	Below 50 th percentile

Elements of our Executive Compensation Program

As discussed above, the Compensation Committee employs multiple compensation elements as a means to achieving various objectives, including compensating executives for performing day-to-day responsibilities, recognizing and rewarding near-term performance, aligning the interests of executives and stockholders and retaining a highly qualified executive team. The most significant compensation elements employed by the committee to realize these goals include base salaries, cash bonuses and grants of long term incentive awards such as restricted stock. Because the committee's paramount concerns are aligning the interests of executives and stockholders and retaining executive talent, it directs the largest portion of total direct compensation (salary plus bonus plus restricted stock awards) to restricted stock awards that vest over time.

The committee does not otherwise attempt to adjust any element of compensation for the purpose of affecting how it relates to any other element.

Base Salaries. We provide our executive officers with annual base salaries to compensate them for services rendered during the year. Our philosophy is to establish base salaries that are commensurate with job responsibilities and competitive with salaries paid by our Peer Companies. In addition to providing compensation that is competitive with the market, the base salaries of our executive officers are intended to reflect the relative importance of each individual's position within the Company.

The Compensation Committee reviews each executive officer's base salary in December and June of each year. The Compensation Committee's reviews consist of assessing Mr. Ward's recommendations regarding each executive officer's salary, including his own, and evaluating the recommendations in light of the Peer Company comparative information provided to the committee.

Factors the Compensation Committee considers when determining semi-annual salary adjustments include:

- the responsibilities of the executive officer;
- the period over which the executive officer has performed these responsibilities;
- the scope, level of expertise and experience required for the executive officer's position and the period during which the officer has performed these responsibilities;
- the strategic impact of the officer's position; and
- the potential future contribution and demonstrated individual performance of the officer.

In addition, salary adjustments are made based on our overall performance (discussed below) and competitive market conditions. Although no formulaic weighting is assigned to any one of these factors, significant emphasis is placed on current market levels and the individual's skills, seniority and previous industry experience, which are evaluated on a case-by-case basis.

Cash Bonus Awards. In addition to competitive base salaries, we provide our executive officers semi-annual cash bonuses intended to encourage and reward the attainment of our near and long-term strategic, operational and financial goals. The payment of semi-annual bonuses also encourages executive officer retention and continuity because (a) as compared to the more typical annual bonus schedule, it reduces by half the amount of each bonus payment as well as the horizon for an executive's next potential bonus payment and (b) an executive officer must be employed by us on the relevant bonus payment date in order to receive his or her bonus payment.

Our Compensation Committee reviews cash bonus award levels for our executive officers by assessing Mr. Ward's recommendations regarding each executive officer's cash bonus award, including his own, and evaluating the recommendations in light of the Peer Company comparative information provided to the committee. Cash bonus awards are based on the committee's subjective evaluation of the performance of the Company and each executive's contribution thereto over the previous six months in light of the considerations described above. Currently, and as discussed in more detail below under "Performance Evaluation," greater consideration is given to

strategic and operational performance, rather than short-term financial or stock price performance, as strategic and operational performance most directly result in long term value to our stockholders. Cash bonuses are discretionary and not awarded pursuant to a formal plan or an agreement with any executive officer. Additionally, cash bonuses are not awarded based on specific Company or individual performance criteria or targets. We believe this discretionary and subjective approach helps to mitigate the incentive an executive officer may have to expose the Company to excessive risk in order to increase his or her potential cash bonus.

The Compensation Committee evaluated Mr. Ward's bonus recommendations for the compensation reviews conducted in June and December 2010. Following discussion and analysis of the factors referenced above, including an evaluation of the Company's performance, and after making any necessary adjustments to Mr. Ward's recommendations, the members of the Compensation Committee approved the cash bonus awards for our executive officers, including the payments to our named executive officers reflected in the Summary Compensation Table below.

Restricted Stock Grants. Our Board of Directors has the discretion to grant restricted stock under our 2005 Stock Plan and 2009 Incentive Plan pursuant to our restricted stock awards program. Restricted stock awards are granted on a semi-annual basis and typically vest over a four-year period. We believe these long-term incentive awards help us to attract highly qualified individuals and align their compensation with the interests of our stockholders. The four-year vesting period of these awards serves as a tool for the retention of our employees, including our executive officers. In addition, as with cash bonus awards, we believe awarding shares of restricted stock semi-annually encourages executive officer retention and continuity because (a) as compared to the more typical annual restricted stock award schedule, it reduces by half the amount of each restricted stock award as well as the horizon for an executive's next vesting of restricted stock and (b) an executive officer must be employed by us on the relevant vesting date in order for unvested shares of restricted stock to be released to him.

Grants of restricted stock are based on a subjective evaluation of the same factors that are used to determine the cash bonus awards, taking into consideration the Peer Company comparative information provided to the Compensation Committee. In addition, the committee considers the cost of such equity awards, the potential impact on dilution and, as discussed above, the relative value in relation to the other components of the executive compensation program.

Performance Evaluation

Oil and natural gas prices historically have been volatile and are beyond the control of our executive officers. Therefore, we do not currently base executive officer compensation decisions on pre-established performance targets as most of the applicable operational and financial performance measures, as well as the Company's stock price, are contingent upon the prices we receive or expect to receive from the sale of oil and natural gas. When making determinations regarding cash bonuses and restricted stock awards in 2010, the Compensation Committee chiefly considered the executive team's contributions to, and the success of the Company with respect to (a) identifying and acquiring new assets cost effectively and realizing the full potential of the Company's existing asset base, (b) mitigating risk posed by fluctuating commodity prices, (c) achieving financial security and flexibility, and, as applicable (d) sustaining progress on special projects. These elements are not specifically weighted in the committee's consideration because the relative importance of each element may change from time to time and the responsibilities of each executive officer as they contribute to the achievement of any particular objective may vary. The committee considered the following in particular in 2010 and believes the compensation awarded appropriately reflects the executives' contributions to the described achievements and the value created thereby:

Identifying and Acquiring New Assets and Realizing Full Potential of Existing Assets

- In the fourth quarter of 2009, the Company acquired the first of its two oil-rich properties located in the Permian Basin from Forest Oil Corporation. In 2010, the Company increased the production from such properties by 51%.

- In July 2010, the Company acquired Arena Resources, Inc., which owned and operated oil-rich properties located primarily in the Permian Basin. In the second half of 2010, the Company increased production from such properties by 15%.
- In 2009 and 2010, the Company built a position of more than 650,000 net acres in the developing horizontal Mississippian oil play in Oklahoma and Kansas at a per acre cost below \$200, well below the value of other comparable plays in the United States.

Risk Mitigation

- Under executive management's direction, the Company enters into derivative contracts in order to mitigate commodity price volatility inherent in the oil and natural gas industry. In so doing, the Company increases the predictability of cash inflows and ensures funding for, and stabilizes rates of return associated with, longer term development plans.

Financial Security and Flexibility

- In April 2010, the Company extended the maturity of its revolving credit facility from 2011 to 2014, ensuring ready access to working capital that will allow the Company to exploit its significant holdings in a high oil price environment.
- In November 2010, the Company successfully executed the sale of \$300 million in convertible preferred stock at an attractive coupon of 7.0%.
- In 2010, the Company sold certain non-core assets for approximately \$400 million, which allowed it to reduce its debt.

Special Projects

- The Company commissioned Phase I of an \$800 million CO₂ treatment plant in Pecos County, Texas (the "Century Plant").

In determining the cash bonus and restricted stock awarded to Mr. Ward, the Compensation Committee further considered Mr. Ward's particular foresight in transforming the Company into one focused on acquiring and producing oil, as opposed to natural gas. Mr. Ward recognized early on, and prior to many of the Company's competitors, that natural gas prices would remain depressed for an extended period and promptly reallocated Company resources to a higher priced commodity. He then spent a significant amount of time furthering that effort by (a) educating the investing community about the Company's transition, which made capital more accessible to the Company, (b) advocating the benefits of the proposed merger between the Company and Arena to Arena's stockholders and other interested parties, and (c) overseeing the reallocation of the Company's internal resources. The committee deemed all of this essential to the Company's viability during a difficult natural gas price environment. In addition, the committee recognizes that the Company's current form as an oil-focused producer is the result of Mr. Ward's vision and, accordingly, his particular leadership is key to the Company's success. Further, the committee appreciates that, as a result of his nearly 20 years of experience as the co-founder of a successful multi-billion dollar exploration and production Company, Mr. Ward is presented with opportunities that most other Peer Company executives do not have. Therefore, Mr. Ward's cash bonus and restricted stock awards reward the specific achievements described, encourage similar achievements in the future, reflect the importance of his particular leadership, and address the risks associated with him choosing to pursue other opportunities.

Other Benefits

We also provide our executive officers the following forms of compensation:

Health and Welfare Benefits. Our executive officers are eligible to participate in medical, dental, vision, disability and life insurance to meet their health and welfare needs. These benefits are provided to assure that we are able to maintain a competitive position in terms of attracting and retaining officers and other employees. This is a fixed component of compensation and the benefits are provided on a nondiscriminatory basis to all of our employees.

Perquisites and Other Personal Benefits. We believe that the total mix of compensation and benefits provided to our executive officers is competitive and, generally, perquisites should not play a large role in our executive officers' total compensation. As a result, the perquisites and other personal benefits we provide to our executive officers are limited. Under the terms of each named executive officer's employment agreement, we will pay the fees and expenses related to one membership in a club in the Oklahoma City, Oklahoma area. The terms of Mr. Ward's employment agreement provide for accounting support from certain Company employees for his personal investments. Mr. Ward reimburses us for half of each such accounting support employee's annual salary and cash bonus. We have also agreed to provide access to an aircraft at our expense for the personal travel of Mr. Ward and his family and guests who accompany him or them. Mr. Ward pays all personal income taxes accruing as a result of aircraft use for personal travel. In addition, from time to time, the Company provides personal security services to Mr. Ward and his family.

Retirement Plan. We maintain a 401(k) retirement plan for the benefit of all of our executive officers and employees on a non-discretionary basis. Under the plan, eligible employees may elect to defer a portion of their earnings up to the annual maximum allowed by regulations promulgated by the Internal Revenue Service. We make matching contributions equal to 100% on the first 15% of employee deferred wages. Matching contributions are made in shares of our common stock.

Nonqualified Deferred Compensation Plan. We maintain a nonqualified deferred compensation plan ("NQDC Plan") to provide our executive officers and other eligible employees flexibility for meeting their future income needs and assisting them in their retirement planning. Under the terms of the plan, eligible employees are provided the opportunity to defer income in excess of the Internal Revenue Service annual limitations on qualified 401(k) retirement plans.

Under the NQDC Plan, we may make discretionary contributions to the deferred compensation account of each participant. The Board of Directors has approved matching contributions for the plan equal to 100% of employee contributions up to 15% of the employee's annual cash compensation minus any matching contributions made under the 401(k) retirement plan. Matching contributions are made in shares of our common stock.

Employment Agreements, Severance Benefits and Change in Control Provisions

Employment Agreements of our Named Executive Officers. We maintain employment agreements with our named executive officers to help ensure the retention of our executive officers in a competitive marketplace. These agreements are described in more detail below. Please read "— Disclosure Related to Summary Compensation Table and Grants of Plan-Based Awards Table — Employment Agreements." These agreements provide for severance compensation to be paid if the employment of the named executive officer is terminated under certain conditions, such as a change in control or termination without cause, each as defined in the agreements.

The employment agreements between us and our named executive officers and the related severance provisions are designed to meet the following objectives:

- *Change in Control.* In certain scenarios, the potential to merge with or be acquired by another company may be in the best interest of our stockholders. We have agreed to provide severance compensation to our named executive officers if employment is terminated following a change in control transaction in recognition of the fact that our named executive officers may take actions in the best interest of our stockholders that ultimately lead to the termination of their employment.

- *Termination without Cause.* If we terminate any of our named executive officers' employment without cause, we will pay certain compensation and other benefits to the terminated named executive officer. We believe these payments are appropriate because they represent the general market triggering events found in employment agreements of companies against whom we compete for executive-level talent. We also believe it is beneficial for us and our named executive officers to have a mutually agreed upon severance package in place prior to any termination event, which we believe provides us with more flexibility to make a change in senior management if such a change is in our and our stockholders' best interest.

Other Matters

Stock Ownership Guidelines and Hedging Prohibition. We do not currently have ownership requirements or a stock retention policy for our named executive officers in general. However, Mr. Ward's employment agreement requires the value of the shares of our common stock that he beneficially owns to remain above 500% of his annual salary and bonus. Based on Mr. Ward's salary and bonus paid during 2010, the current price of our common stock and Mr. Ward's current share ownership levels, he is well above the required holding amount. We do not have a policy that restricts our executive officers from limiting their economic exposure to our stock. We will continue to periodically review best practices and reevaluate our position with respect to stock ownership and hedging guidelines.

Risk. Our compensation program for executives is designed to discourage excessive risk taking. In that regard, (i) cash bonuses are discretionary and not awarded pursuant to a formal plan or agreement or based on specific individual or Company performance metrics; and (ii) incentive compensation is currently provided only in the form of restricted stock awards, which (a) unlike awards in the form of stock options, does not provide an incentive to take unnecessary risk to increase stock price; (b) is not tied to formulas that could focus executives on specific short-term outcomes; and (c) vests over a four year to better align the compensation of our executive officers with the interests of our long-term stockholders.

Tax Treatment of Executive Compensation Decisions. Section 162(m) of the Internal Revenue Code limits the deductibility of compensation in excess of \$1,000,000 paid to our principal executive officer, our principal financial officer or any of the three other most highly compensated executive officers, unless the compensation qualifies as "performance-based compensation." Our Compensation Committee considers the impact of Section 162(m) when making compensation decisions and attempts to preserve the tax deductibility of executive compensation when doing so is consistent with the committee's overall compensation philosophy and in the Company's best interest. However, the Compensation Committee may award nondeductible compensation when it believes that such awards are in the Company's best interest, balancing short term tax efficiency with the Company's long-term strategic objectives.

Changes to Executive Compensation Due to Market Conditions. As of the date of this Proxy Statement, current economic conditions and recent financial institution crises have not affected how we evaluate executive compensation. However, we are mindful of the current state of the United States and world economies and continue to evaluate whether adjustments to executive compensation are appropriate in light of such circumstances.

Compensation of Former Officer. On November 10, 2010, the Company announced the departure of Dirk Van Doren, who held the role of Executive Vice President and Chief Financial Officer of the Company. Mr. Van Doren's employment with the Company ended effective December 31, 2010. On December 20, 2010, the Company entered into a Transition Agreement that provided that (i) Mr. Van Doren's termination would be deemed to be a "Termination without Cause" under the terms of his employment agreement, (ii) Mr. Van Doren would be paid a lump sum cash retention payment of \$350,000, and (iii) all of Mr. Van Doren's then outstanding shares of restricted stock would vest by the thirtieth calendar date following his separation. All other material terms of the Transition Agreement are consistent with his employment agreement.

Compensation Decisions for 2011. During the compensation review conducted in December 2010, the Compensation Committee approved base salaries for our named executive officers for 2011 in the following amounts: Mr. Ward – \$1,500,000; Mr. Grubb – \$900,000; Mr. Tipton – \$408,000 and Mr. Johnson – \$400,000. In addition, the Compensation Committee approved the following awards of restricted stock for our named executive officers to be effective as of January 14, 2011: Mr. Ward – 1,625,000 shares; Mr. Grubb – 250,000 shares; Mr. Tipton – 62,500 shares; and Mr. Johnson – 62,500 shares.

On January 5, 2011, the Company appointed James Bennett as its new Executive Vice President and Chief Financial Officer. On January 10, 2011, the Company and Mr. Bennett entered into an employment agreement in conjunction with his appointment as the Company’s Executive Vice President and Chief Financial Officer. Under the terms of the agreement, Mr. Bennett will receive (a) an annual base salary equal to \$700,000; (b) an annual bonus for his first year of employment in an amount equal to at least \$700,000; and (c) shares of restricted stock in the following amounts and at the following times: (i) 700,000 shares granted on February 1, 2011; (ii) during Mr. Bennett’s first year of employment with the Company, a number of shares with an aggregate fair market value at the time of grant of at least \$1,500,000; and (iii) during Mr. Bennett’s second year of employment with the Company, a number of shares with an aggregate fair market value at the time of grant of at least \$2,000,000.

Compensation Committee Report

The Compensation Committee has reviewed and discussed the disclosure set forth above under the heading “Compensation Discussion and Analysis” with management and, based on this review and discussion, the Compensation Committee has recommended to the Board of Directors that the “Compensation Discussion and Analysis” be included in this Proxy Statement.

Compensation Committee Members

William A. Gilliland
Daniel W. Jordan
Roy T. Oliver, Jr.

Summary Compensation

The following table sets forth the compensation of the named executive officers for each of the fiscal years ended December 31, 2008, 2009 and 2010. Mr. Van Doren was the Company's Executive Vice President and Chief Financial Officer until December 31, 2010, at which time he separated from the Company.

Summary Compensation Table

Name and Principal Position	Year	Salary	Bonus	Stock Awards(1)	All Other Compensation(2)	Total
Tom L. Ward Chairman and Chief Executive Officer	2010	\$1,500,000	\$1,500,000	\$17,284,585	\$1,471,672	\$21,756,257
	2009	\$1,212,894	\$1,350,000	\$ 9,406,250	\$1,772,829	\$13,741,973
	2008	\$1,185,680	\$1,050,000	\$15,824,681	\$1,286,484	\$19,346,845
Matthew K. Grubb President and Chief Operating Officer	2010	\$ 755,770	\$ 855,000	\$ 2,127,335	\$ 224,454	\$ 3,962,829
	2009	\$ 588,904	\$ 675,000	\$ 1,671,200	\$ 170,068	\$ 3,105,172
	2008	\$ 515,591	\$ 460,000	\$ 3,495,750	\$ 121,206	\$ 4,592,547
Dirk M. Van Doren Former Executive Vice President and Chief Financial Officer	2010	\$ 727,500	\$ 350,000	\$ 2,127,335	\$ 552,543	\$ 3,757,378
	2009	\$ 589,586	\$ 735,000	\$ 1,495,800	\$ 200,171	\$ 3,020,557
	2008	\$ 567,135	\$ 735,000	\$ 4,194,900	\$ 192,100	\$ 5,689,135
Todd N. Tipton Executive Vice President — Exploration	2010	\$ 401,692	\$ 304,500	\$ 585,015	\$ 105,221	\$ 1,396,428
	2009	\$ 372,443	\$ 289,000	\$ 448,740	\$ 96,972	\$ 1,207,155
	2008	\$ 357,115	\$ 270,000	\$ 1,258,470	\$ 90,124	\$ 1,975,709
Rodney E. Johnson Executive Vice President — Reservoir Engineering	2010	\$ 376,924	\$ 355,500	\$ 425,465	\$ 108,994	\$ 1,266,883
	2009	\$ 351,544	\$ 325,000	\$ 332,400	\$ 96,929	\$ 1,105,873
	2008	\$ 317,056	\$ 277,200	\$ 932,200	\$ 64,739	\$ 1,591,195

- (1) Includes the aggregate fair value at date of each grant of restricted stock to a named executive officer. The value is calculated in accordance with Financial Standards Board Accounting Standards Codification Topic 718, Compensation — Stock Compensation. These amounts do not necessarily correspond to the actual value that will be realized by our named executive officers. See “— Disclosure Related to Summary Compensation Table and Grants of Plan-Based Awards Table” below for a description of the material features of these awards.
- (2) All Other Compensation provided to our named executive officers consists of the following:

Name	Year	Life Insurance Premiums	Company Matching Contributions to 401(k) Plan	Deferred Compensation Match	Retention Payment(a)	Perquisites(b)	Total
Tom L. Ward	2010	\$360	\$22,000	\$426,269	—	\$1,023,043	\$1,471,672
	2009	\$360	\$22,000	\$327,356	—	\$1,423,113	\$1,772,829
	2008	\$360	\$15,500	\$314,442	—	\$ 956,182	\$1,286,484
Matthew K. Grubb	2010	\$360	\$16,500	\$207,594	—	—	\$ 224,454
	2009	\$360	\$16,500	\$153,208	—	—	\$ 170,068
	2008	\$360	\$15,500	\$105,346	—	—	\$ 121,206
Dirk M. Van Doren	2010	\$360	\$22,000	\$180,183	\$350,000	—	\$ 552,543
	2009	\$360	\$22,000	\$177,811	—	—	\$ 200,171
	2008	\$360	\$15,500	\$176,240	—	—	\$ 192,100
Todd N. Tipton	2010	\$360	\$22,000	\$ 82,861	—	—	\$ 105,221
	2009	\$360	\$22,000	\$ 74,612	—	—	\$ 96,972
	2008	\$360	\$20,500	\$ 69,264	—	—	\$ 90,124
Rodney E. Johnson	2010	\$360	\$22,000	\$ 86,634	—	—	\$ 108,994
	2009	\$360	\$22,000	\$ 74,569	—	—	\$ 96,929
	2008	\$360	\$20,500	\$ 43,879	—	—	\$ 64,739

- (a) Mr. Van Doren's employment with the Company terminated effective December 31, 2010. Under the terms of a Transition Agreement between the Company and Mr. Van Doren, Mr. Van Doren received a lump sum payment of \$350,000, and all of Mr. Van Doren's outstanding shares of restricted stock (471,667 shares) on December 31, 2010 vested on January 11, 2011.
- (b) The amount reported in this column for Mr. Ward in 2010 includes (i) \$743,876 for costs related to accounting support from our employees for Mr. Ward's personal investments; (ii) \$184,000 for costs related to aircraft usage; (iii) \$88,908 for personal security provided to Mr. Ward and his family; and (iv) \$6,259 for club membership dues and fees. Accounting support costs include 50% of the salaries and bonuses paid to the employees primarily engaged in providing these services, 100% of the costs of the benefits the Company provides to these employees and the value of restricted stock awarded to such employees. The amounts attributable to aircraft usage and personal security are based on the incremental cost to the Company. Incremental cost for aircraft usage is based on direct operating costs, including fuel, airport fees and incremental pilot costs, of Company owned aircraft (excluding capital costs of the aircraft) and costs attributable to leasing aircraft not owned by the Company (based on hourly fees), and incremental cost for Mr. Ward's personal security includes the cost of equipment installation and maintenance and salaries and fees for security personnel.

Grants of Plan-Based Awards

The following table sets forth information about each grant of an equity award made to our named executive officers in 2010 pursuant to our restricted stock awards program.

Grants of Plan-Based Awards for the Year Ended December 31, 2010

<u>Name</u>	<u>Grant Date</u>	<u>All Other Stock Awards: Number of Shares of Stock</u>	<u>Grant Date Fair Value</u>
Tom L. Ward	January 8, 2010	812,500	\$8,807,500
	July 9, 2010	1,354,167	\$8,477,085
Matthew K. Grubb	January 8, 2010	100,000	\$1,084,000
	July 9, 2010	166,667	\$1,043,335
Dirk M. Van Doren	January 8, 2010	100,000	\$1,084,000
	July 9, 2010	166,667	\$1,043,335
Todd N. Tipton	January 8, 2010	27,500	\$ 298,100
	July 9, 2010	45,833	\$ 286,915
Rodney E. Johnson	January 8, 2010	20,000	\$ 216,800
	July 9, 2010	33,333	\$ 208,665

Disclosure Related to Summary Compensation Table and Grants of Plan-Based Awards Table

The following is a discussion of material factors necessary to gain an understanding of the information disclosed in the Summary Compensation Table and the Grants of Plan-Based Awards Table.

Employment Agreements

Employment Agreement of Tom L. Ward. Mr. Ward serves as our Chief Executive Officer and President under the terms of an employment agreement that is extended each year on the anniversary of the effective date so that, until the Company provides notice of non-renewal, the agreement's remaining term is at least two years and no more than three years. The agreement entitles Mr. Ward to a base salary of not less than \$950,000, subject to increase at the discretion of the Board of Directors, and the opportunity to earn a cash bonus to be determined in the sole discretion of the Board of Directors or the Compensation Committee of the Board. The employment agreement also describes the following forms of compensation to be provided to Mr. Ward:

- compensation we provide to our employees that provide accounting support for his personal investments, excluding 50% of the salaries and bonuses paid to such individuals that Mr. Ward reimburses to the Company;
- the fees and expenses related to one country club membership in Oklahoma City, Oklahoma;

- use of the Company’s aircraft for the personal travel for himself and his family and guests who accompany him; and
- participation in all of our benefit plans and programs.

Mr. Ward’s employment agreement also contains non-competition and confidentiality provisions in the event Mr. Ward’s employment with us is terminated and further includes provisions governing the payment of severance benefits if his employment is terminated by us without cause or in connection with a change in control. The agreement also addresses termination due to Mr. Ward’s death or disability. For a description of these payments, please read “— Potential Payments upon Termination or Change in Control” below.

Additionally, if any of the payments or benefits described above are subject to the excise tax imposed by Section 4999 of the Internal Revenue Code of 1986, as amended (the “Code”), Mr. Ward is entitled to receive a gross-up payment equal to the amount of excise tax imposed plus all taxes imposed on the gross-up payment.

Employment Agreements of our Other Named Executive Officers. Each of our other named executive officers serves as an officer under the terms of an employment agreement. The employment agreements with each of Messrs. Grubb, Tipton and Johnson are effective as of November 1, 2011 and the employment agreement of Mr. Bennett is effective as of February 1, 2011. Each such agreement provides for an initial term ending on December 31, 2012 and automatically extends for an additional one-year term on the expiration date of the agreement, unless terminated in accordance with its terms. Pursuant to each of these employment agreements, we agreed to pay an annual base salary equal to or greater than the minimum amount set forth in each respective agreement as follows: Mr. Grubb – \$750,000; Mr. Bennett – \$700,000; Mr. Tipton – \$400,000; and Mr. Johnson – \$375,000. Except as described below with respect to Mr. Bennett, the terms of the agreements also provide for (i) additional bonus compensation, to be determined in our sole discretion, (ii) awards of restricted stock under and subject to our equity compensation plans, (iii) the fees and expenses related to one membership in a club in the Oklahoma City, Oklahoma area; and (iv) benefits under all other benefit plans generally provided to our other executive officers.

Under the terms of Mr. Bennett’s employment agreement, we agreed to provide (i) an annual bonus for his first year of employment in an amount equal to at least \$700,000; (ii) shares of restricted stock in the following amounts and at the following times: (x) 700,000 shares granted on February 1, 2011; (y) during Mr. Bennett’s first year of employment with the Company, a number of shares with an aggregate fair market value at the time of grant of at least \$1,500,000; and (z) during Mr. Bennett’s second year of employment with the Company, a number of shares with an aggregate fair market value at the time of grant of at least \$2,000,000; and (iii) relocation compensation to assist with his move to Oklahoma City, Oklahoma.

Each employment agreement also includes provisions governing the payment of severance benefits if employment is terminated by us without cause or in connection with a change of control. Each agreement also addresses termination due to death or disability. For a description of these payments, please read “— Potential Payments Upon Termination or Change in Control” below.

2005 Stock Plan

Prior to the initial public offering of our common stock in November 2007, we assumed the Riata 2005 Stock Plan (the “2005 Stock Plan”). The 2005 Stock Plan authorizes the granting of stock options, stock appreciation rights, restricted stock, phantom stock and other equity-based awards to our employees, directors and consultants. In addition, the 2005 Stock Plan authorizes cash-denominated awards that may be settled in cash, stock or any combination thereof. The purpose of the 2005 Stock Plan is to attract, retain and provide incentives to our officers, other associates, directors and consultants and to thereby increase overall stockholder value. Currently, only awards of restricted stock are made under the terms of the 2005 Stock Plan.

Restricted stock awards are grants of common stock made to eligible persons subject to restrictions, terms and conditions as established by the Compensation Committee. The grants of restricted stock are issued and outstanding shares from the date of the grant but are subject to forfeiture. An eligible person will become the holder of shares of restricted stock free of all restrictions if he or she complies with all restrictions, terms and conditions. Otherwise, the shares will be forfeited back to the Company. In most cases, holders of outstanding shares of restricted stock will not have the right to vote the shares of restricted stock granted under the 2005 Stock Plan until all restrictions, terms and conditions are satisfied.

The 2005 Stock Plan authorizes 7,074,252 shares of common stock to be used for awards. As of March 31, 2011, 2,435,962 shares, representing 0.6% of the outstanding shares of our common stock, are available to be used for future awards. If an award made under the 2005 Stock Plan expires, terminates or is forfeited, cancelled, settled in cash without issuance of shares of common stock covered by the award, or if award shares are used to pay for other award shares, those shares will be available for future awards under the 2005 Stock Plan.

2009 Incentive Plan

In June 2009, our stockholders approved the adoption of the 2009 Incentive Plan. The 2009 Incentive Plan authorizes the granting of stock options, stock appreciation rights, shares of restricted stock, restricted stock units and any other form of award based on the value (or the increase in value) of shares of our common stock. The 2009 Incentive Plan also permits cash incentive awards. Any current employee, officer, director, consultant or advisor of the Company and any of its present or future parent or subsidiary entities or any other business venture in which we have a controlling interest is eligible to be granted an award.

Subject to adjustments allowed under the 2009 Incentive Plan, the 2009 Incentive Plan authorizes up to 12,000,000 shares of common stock to be used for awards (22,500,000 shares if PROPOSAL NO. 3 – APPROVAL OF AN AMENDMENT TO THE SANDRIDGE ENERGY, INC. 2009 INCENTIVE PLAN TO INCREASE THE NUMBER OF SHARES OF COMPANY COMMON STOCK ISSUABLE UNDER THE PLAN is approved). As of March 31, 2011, 821,355 shares, representing 0.2% of the outstanding shares of our common stock, are available to be used for future awards. If any award made under the 2009 Incentive Plan expires or is terminated, surrendered or canceled without having been fully exercised, is forfeited in whole or in part, or results in any shares not being issued, the unused shares covered by such award shall again be available for grants under the plan. Further, shares tendered to the Company by a participant to exercise an award shall be added to the number of shares available for grants under the plan.

Outstanding Equity Awards at Fiscal Year-End

The following table reflects all outstanding equity awards held by each of our named executive officers as of December 31, 2010:

Outstanding Equity Awards as of December 31, 2010

<u>Name</u>	<u>Stock Awards</u>	
	<u>Number of Shares or Units of Stock That Have Not Vested(1)</u>	<u>Market Value of Shares or Units of Stock That Have Not Vested(2)</u>
Tom L. Ward	3,352,036(3)	\$24,536,904
Matthew K. Grubb	465,417(4)	\$ 3,406,852
Dirk M. Van Doren	471,667(5)	\$ 3,452,602
Todd N. Tipton	137,333(6)	\$ 1,005,278
Rodney E. Johnson	97,083(7)	\$ 710,648

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- (1) Each award of restricted stock vests in 25% increments on the first four anniversaries of the grant date.
 - (2) Valuations are based on \$7.32 per share, which was the last trading price for a share of our common stock on the NYSE on December 31, 2010.
 - (3) Includes 75,000 shares of the 300,000 shares of restricted stock granted January 10, 2007; 81,250 shares of the 325,000 shares of restricted stock granted July 11, 2007; 117,187 shares of the 234,375 shares of restricted stock granted January 11, 2008; 68,182 shares of the 136,364 shares of restricted stock granted July 11, 2008; 375,000 shares of the 500,000 shares of restricted stock granted January 9, 2009; 468,750 shares of the 625,000 shares of restricted stock granted July 10, 2009; 812,500 shares of restricted stock granted on January 8, 2010; and 1,354,167 shares of restricted stock granted on July 9, 2010.
 - (4) Includes 5,000 shares of the 20,000 shares of restricted stock granted January 10, 2007; 6,250 shares of the 25,000 shares of restricted stock granted July 11, 2007; 18,750 shares of the 37,500 shares of restricted stock granted January 11, 2008; 18,750 shares of the 37,500 shares of restricted stock granted July 11, 2008; 67,500 shares of the 90,000 shares of restricted stock granted January 9, 2009; 82,500 shares of the 110,000 shares of restricted stock granted July 10, 2009; 100,000 shares of restricted stock granted on January 8, 2010; and 166,667 shares of restricted stock granted on July 9, 2010.
 - (5) Includes 10,000 shares of the 40,000 shares of restricted stock granted January 10, 2007; 15,000 shares of the 60,000 shares of restricted stock granted July 11, 2007; 22,500 shares of the 45,000 shares of restricted stock granted January 11, 2008; 22,500 shares of the 45,000 shares of restricted stock granted July 11, 2008; 67,500 shares of the 90,000 shares of restricted stock granted January 9, 2009; 67,500 shares of the 90,000 shares of restricted stock granted July 10, 2009; 100,000 shares of restricted stock granted January 8, 2010; and 166,667 shares of restricted stock granted on July 9, 2010. Under the terms of the Transition Agreement between Mr. Van Doren and the Company, all of Mr. Van Doren's outstanding shares of restricted stock (471,667 shares) on December 31, 2010 vested on January 11, 2011, providing him a benefit equal to \$3,679,002 based on a \$7.80 per share price, which was the last trading price for a share of our common stock on the NYSE on January 11, 2011.
 - (6) Includes 6,250 shares of the 25,000 shares of restricted stock granted January 10, 2007; 3,750 shares of the 15,000 shares of restricted stock granted July 11, 2007; 6,750 shares of the 13,500 shares of restricted stock granted January 11, 2008; 6,750 shares of the 13,500 shares of restricted stock granted July 11, 2008; 20,250 shares of the 27,000 shares of restricted stock granted January 9, 2009; 20,250 shares of the 27,000 shares of restricted stock granted July 10, 2009; 27,500 shares of restricted stock granted January 8, 2010; and 45,833 shares of restricted stock granted July 9, 2010.
 - (7) Includes 1,250 shares of the 5,000 shares of restricted stock granted January 31, 2007; 2,500 shares of the 10,000 shares of restricted stock granted July 11, 2007; 5,000 shares of the 10,000 shares of restricted stock granted January 11, 2008; 5,000 shares of the 10,000 shares of restricted stock granted July 11, 2008; 15,000 shares of the 20,000 shares of restricted stock granted January 9, 2009; 15,000 shares of the 20,000 shares of restricted stock granted July 10, 2009; 20,000 shares of restricted stock granted January 8, 2010; 33,333 shares of restricted stock granted July 9, 2010.

Option Exercises and Stock Vested

The following table reflects the restricted stock of each of our named executive officers that vested during 2010. No stock options were outstanding or exercised in 2010.

Option Exercises and Stock Vested for the Year Ended December 31, 2010

<u>Name</u>	<u>Stock Awards</u>	
	<u>Number of Shares Acquired on Vesting</u>	<u>Value Realized on Vesting(1)</u>
Tom L. Ward	530,185	\$4,474,022
Matthew K. Grubb	80,000	\$ 665,000
Dirk M. Van Doren	95,000	\$ 788,600
Todd N. Tipton	30,250	\$ 262,675
Rodney E. Johnson	18,750	\$ 153,225

(1) Valuations for all of the named executive officers are based on the last trading price for a share of our common stock on the NYSE on the applicable vesting date for shares of restricted stock held by a named executive officer.

Nonqualified Deferred Compensation

We maintain a nonqualified deferred compensation plan (“the NQDC Plan”) for the benefit of eligible employees, including all of our named executive officers. Under the NQDC Plan, we may make discretionary contributions to the deferred compensation account of each participant. The Board of Directors has approved matching contributions for the NQDC Plan equal to 100% of employee contributions up to 15% of the employee’s annual cash compensation minus matching contributions made under our 401(k) plan. Matching contributions are made with shares of our common stock. Matching contributions are calculated on behalf of each participant following the end of each calendar quarter. All matching contributions vest at the rate of 25% per year over the four-year period beginning on the date the employee first participates in the plan. The participant must be employed on the last day of the plan year in order to be eligible for vesting of contributions for that plan year.

An active participant of the NQDC Plan shall be fully vested upon the first to occur of the following events: (a) attainment of normal retirement age; (b) death; (c) disability; (d) change in control; or (e) satisfaction of the plan’s vesting requirements.

The maximum employee compensation that can be deferred under our 401(k) plan and the NQDC Plan is a total of 75% of base salary and 75% of cash bonus. Participant contributions to the NQDC Plan are held in a rabbi trust and are adjusted for earnings and losses based on deemed investment choices selected by the participant from the fund selections made available under the plan. We do not provide guaranteed, above-market or preferential earnings on deferred compensation. The available investment choices mirror the investment choices available under our 401(k) plan.

No in-service distributions are permitted under the plan unless in the event of an unforeseeable emergency or a change in control of the Company. Upon separation of service of a participant for any reason other than retirement, the participant’s balance is paid in a lump sum in cash as soon as practicable following the date of the qualifying distribution event. In the event the separation of employment is due to retirement after turning age 60, the vested balance is paid to the participant in the manner specified by the participant.

Any assets we place in trust to fund future obligations of the NQDC Plan are subject to the claims of creditors in the event of our insolvency or bankruptcy. Participants have no greater rights than those of an unsecured creditor as to their rights to receive payment of deferred compensation in the plan.

The following table sets forth activity under the NQDC Plan for 2010:

<u>Name</u>	<u>Executive Contributions in Last Fiscal Year</u>	<u>Registrant Contributions in Last Fiscal Year(1)</u>	<u>Aggregate Earnings in Last Fiscal Year</u>	<u>Aggregate Withdrawals/ Distributions(2)</u>	<u>Aggregate Balance at Last Fiscal Year-End(3)</u>
Tom L. Ward	\$426,269	\$426,269	\$(128,899)	\$(1,506,525)	\$545,264
Matthew K. Grubb	\$207,594	\$207,594	\$(52,956)	\$(652,898)	\$263,868
Dirk M. Van Doren	\$180,183	\$180,183	\$(78,000)	\$(756,740)	\$230,264
Todd N. Tipton	\$82,861	\$82,861	\$(29,549)	\$(413,268)	\$111,248
Rodney E. Johnson	\$86,635	\$86,635	\$19,288	—	\$424,807

- (1) Matching contributions are made with shares of our common stock and are included as “All Other Compensation” in the Summary Compensation Table for the 2010 fiscal year.
- (2) On July 16, 2010, the Company completed its acquisition of all of the outstanding common stock of Arena Resources, Inc. The transaction constituted a “Change in Control” of the Company under the terms of the NQDC Plan, which resulted in distributions from the plan being made to the named executive officers who had previously elected to receive distributions from the NQDC Plan on the occurrence of a Change in Control. The distributions consisted of cash and shares of the Company’s common stock, all of which were subject to tax withholding.
- (3) Includes amounts included as All Other Compensation in the Summary Compensation Table for the 2008 and 2009 fiscal years equal to \$314,442 and \$327,356 for Mr. Ward; \$105,346 and \$153,208 for Mr. Grubb; \$176,240 and \$177,811 for Mr. Van Doren; \$76,471 and \$74,612 for Mr. Tipton; and \$43,879 and \$74,569 for Mr. Johnson, respectively.

Potential Payments Upon Termination or Change in Control

Severance Under Employment Agreement of Tom L. Ward

Termination Other Than For Cause. In the event we terminate Mr. Ward’s employment other than for Cause (as defined in Mr. Ward’s employment agreement), Mr. Ward is entitled to receive (1) his base salary in effect on the date of termination during the remaining term of the employment agreement or through the expiration date of the agreement and (2) any vacation pay accrued but unused through the date of termination.

Termination in Connection with Change in Control. In the event that Mr. Ward’s employment is terminated within one year of a Change in Control event (as defined in the agreement) other than for Cause, death or disability, Mr. Ward is entitled to receive (1) a single, lump sum severance payment within ten days of termination equal to three times his base salary for the last twelve calendar months and bonus paid (based on an average of the last three annual bonuses paid) and (2) any applicable Gross-Up Payment (as defined below). If the foregoing amount is not paid within ten days after the Change in Control event, the unpaid amount will bear interest at a rate equal to 12% per annum. To the extent that any payment or distribution is subject to excise tax under Section 4999 of the Code or any other interest or penalties related to such excise tax (collectively, “Excise Tax”), the agreement provides we will pay an additional amount (the “Gross-Up Payment”) such that, after payment by Mr. Ward of all taxes on the Gross-Up Payment, he will retain an amount of the Gross-Up Payment equal to the Excise Tax.

In addition, notwithstanding any provision to the contrary in any option agreement, restricted stock agreement, plan or other agreement relating to equity based compensation, in the event of a termination without Cause or in connection with a Change in Control, all of Mr. Ward’s units, stock options, incentive stock options, performance shares, stock appreciation rights and restricted stock (collectively, “awards”) will immediately become 100% vested. Further, Mr. Ward’s right to exercise any previously unexercised options will not terminate until the latest date on which such option would expire but for Mr. Ward’s termination. To the extent we are unable to provide for one or both of the foregoing rights, we will provide in lieu thereof a lump-sum cash payment equal to the difference between the total value of such awards with the foregoing rights and the total value without the foregoing rights.

Termination for Cause. In the event Mr. Ward is terminated for Cause, we will have no obligation to provide further payments or benefits.

Voluntary Termination. In the event Mr. Ward voluntarily terminates with or without Cause, we have no further obligations except for any obligations expressly surviving termination of employment. If Mr. Ward desires to voluntarily terminate, he must give 90 days notice of his intent to terminate during which time he can use accrued vacation time or be paid for such days.

Termination due to Disability. If Mr. Ward's employment is terminated due to disability, then he is entitled to receive base salary through the remaining term of his employment agreement or through the expiration date of the agreement.

Termination due to Death. In the event Mr. Ward's employment terminates due to death, then his estate is entitled to receive his base salary payment for twelve months after termination and any accrued benefits.

Severance Under Employment Agreements of our Other Named Executive Officers

Termination Other Than For Cause. In the event we terminate a named executive officer's employment other than for Cause (as defined in the executive's employment agreement), the terminated executive is entitled to receive an amount equal to twelve months base salary in effect on the date of termination, and if at the time of such termination Mr. Ward is not the Chairman and Chief Executive Officer of the Company, then (a) all units, stock options, incentive stock options, performance shares, stock appreciation rights and restricted stock granted and held by the executive immediately prior to such termination will immediately become 100% vested; and (b) the executive's right to exercise any previously unexercised options will not terminate until the latest date on which such option would expire but for the executive's termination of employment.

Termination in Connection with Change in Control. In the event that employment is terminated within two years of a Change in Control event (as defined in the agreements) other than for Cause, death or disability, the executive is entitled to receive a single, lump sum severance payment within sixty days of termination equal to two times his base salary for the last twelve calendar months and bonus paid (based on an average of the last three annual bonuses paid or such lesser number of years as he was employed). If the foregoing amount is not paid within sixty days after the Change in Control event, the unpaid amount will bear interest at a rate equal to 12% per annum. The right to this termination compensation upon a Change in Control is subject to the executive's execution of a severance agreement at the time of termination which will operate as a release of all legally waivable claims against us. Such payment is further conditioned upon the executive's compliance with all of the provisions of his employment agreement, including all post-employment obligations.

In addition, notwithstanding any provision to the contrary in any option agreement, restricted stock agreement, plan or other agreement relating to equity based compensation, in the event of a termination in connection with a Change in Control, all of the executive's units, stock options, incentive stock options, performance shares, stock appreciation rights and restricted stock (collectively, "awards") will immediately become 100% vested. Further, the executive's right to exercise any previously unexercised options will not terminate until the latest date on which such option would expire but for the executive's termination. To the extent we are unable to provide for one or both of the foregoing rights, we will provide in lieu thereof a lump-sum cash payment equal to the difference between the total value of such awards with the foregoing rights and the total value without the foregoing rights. The right to this termination compensation is subject to the executive's execution of a severance agreement at the time of termination which will operate as a release of all legally waivable claims against us. Such payment is further conditioned upon the executive's compliance with all of the provisions of his employment agreement, including all post-employment obligations.

Termination for Cause. In the event the executive is terminated for Cause, we will have no further obligation to provide further payments or benefits.

Voluntary Termination. In the event the executive voluntarily terminates with or without Cause, we have no further obligations except for any obligations expressly surviving termination of employment. If the executive desires to voluntarily terminate, he must give 30 days notice of his intent to terminate.

Termination due to Disability. If the executive’s employment is terminated due to disability, then he is entitled to receive twelve months base salary. This amount will be reduced by any benefits payable under any disability plans provided by us pursuant to his employment agreement.

Termination due to Death. In the event the executive’s employment terminates due to death, then his estate is entitled to receive base salary payments for twelve months after termination.

If any amount payable to the executive under the executive’s employment agreement or otherwise would constitute a “parachute payment” within the meaning of Section 280G of the Code and, but for the terms of the agreement, would be subject to the excise tax imposed by Section 4999 of the Code (the “Excise Tax”), then the executive’s payments under the agreement will be reduced to the greatest amount that would not be subject to the Excise Tax if, after taking into account applicable federal, state, local and foreign income and employment taxes, the Excise Tax, and any other applicable taxes, the executive would retain a greater amount on an after-tax basis following such reduction.

Summary of Potential Payments upon Termination or Change in Control

The following table presents our reasonable estimate of the benefits that would have been payable to our named executive officers under their employment agreements assuming that each triggering event took place on December 31, 2010. While we have made reasonable assumptions regarding the amounts, there can be no assurance that the named executive officers would have received the amounts reflected below in the event of an actual termination of employment.

<u>Name</u>	<u>Termination Other than for Cause</u>	<u>Termination for Cause</u>	<u>Termination in Connection with a Change in Control</u>	<u>Termination Due to Disability</u>	<u>Termination Due to Death</u>
Tom L. Ward	\$2,394,231(a)	—	\$11,294,057(b)	\$2,250,000(c)	\$1,644,231(d)
Matthew K. Grubb	\$ 755,770(e)	—	\$ 2,818,747(f)	\$ 755,770(g)	\$ 755,770(h)
Dirk M. Van Doren(i)	\$3,802,604(i)	—	—	—	—
Todd N. Tipton	\$ 401,692(e)	—	\$ 1,379,051(f)	\$ 401,692(g)	\$ 401,692(h)
Rodney E. Johnson	\$ 376,924(e)	—	\$ 1,392,315(f)	\$ 376,924(g)	\$ 376,924(h)

- (a) Includes \$2,250,000 (Mr. Ward’s base salary for eighteen months, which was the remaining term of his employment agreement as of December 31, 2010), and the maximum value of his accrued vacation (assuming he took no time off during the year) of \$144,231.
- (b) Amount is equal to the sum of three times Mr. Ward’s (a) base salary in 2010 of \$1,500,000 and (b) bonus (based on the average of Mr. Ward’s last three annual bonuses) of \$1,300,000, plus a Gross-Up Payment equal to \$2,894,057. Additionally, all of Mr. Ward’s 3,352,036 shares of unvested restricted stock held as of December 31, 2010 would vest, providing him a benefit equal to \$24,536,904 based on a \$7.32 per share price, which was the last trading price on December 31, 2010.
- (c) This amount represents Mr. Ward’s base salary for eighteen months, which was the remaining term of his employment agreement as of December 31, 2010.
- (d) This amount includes 12 months’ base salary plus the maximum value of his accrued vacation (assuming he took no time off during the year).
- (e) Amount is equal to 12 months’ base salary in effect on the date of termination.

- (f) Amount is equal to the sum of two times the executive's base salary for the last 12 calendar months and the bonus paid during the last 12 calendar months. Additionally, all of each such named executive officer's shares of unvested restricted stock held as of December 31, 2010 would vest, providing him a benefit based on a \$7.32 per share price, which was the last trading price on December 31, 2010. For Mr. Grubb, the benefit would equal \$3,406,852 based on 465,417 shares; for Mr. Tipton, the benefit would equal \$1,005,278 based on 137,333 shares; and for Mr. Johnson, the benefit would equal \$710,648 based on 97,083 shares.
- (g) Amount is equal to 12 months' base salary in effect on the date of termination.
- (h) Amount is equal to 12 months' base salary in effect on the date of termination.
- (i) Mr. Van Doren's employment with the Company terminated effective December 31, 2010. Under the terms of a Transition Agreement between the Company and Mr. Van Doren, Mr. Van Doren received a lump sum payment of \$350,000, and all of Mr. Van Doren's outstanding shares of restricted stock (471,667 shares) on December 31, 2010 vested on January 11, 2011, providing him a benefit equal to \$3,679,003 based on a \$7.80 per share price, which was the last trading price for a share of our common stock on the NYSE on January 11, 2011.

Indemnification

We have entered into an indemnification agreement with each of our directors and executive officers (each an "indemnitee"), which is intended to permit indemnification to the fullest extent now or hereafter permitted by the General Corporation Law of the State of Delaware. It is possible that the applicable law could change the degree to which indemnification is expressly permitted.

Each indemnification agreement covers expenses (including attorneys' fees), judgments, fines and amounts paid in settlement incurred by an indemnitee when, in his or her capacity as a director or officer, the indemnitee is made or threatened to be made a party to any suit or proceeding. Each indemnification agreement generally covers claims relating to the fact that the indemnitee is or was an officer, director, employee or agent of ours or any of our affiliates, or is or was serving at our request in such a position for another entity. Each indemnification agreement also obligates us to promptly advance all reasonable expenses incurred in connection with any claim. The indemnitee is, in turn, obligated to reimburse us for all amounts so advanced if it is later determined that the indemnitee is not entitled to indemnification. The indemnification provided under the indemnification agreements is not exclusive of any other indemnity rights of an indemnitee; however, double recovery by an indemnitee is prohibited.

We are not obligated to indemnify the indemnitee with respect to claims brought by the indemnitee against:

- the Company, except for:
 - claims regarding the indemnitee's rights under the indemnification agreement;
 - claims to enforce a right to indemnification under any statute or law; and
 - counter-claims against us in a proceeding brought by us against the indemnitee; or
- any other person, except for claims approved by our Board of Directors.

We have also agreed to obtain and maintain director and officer liability insurance for the benefit of each of our directors and executive officers. These policies include coverage for losses for wrongful acts and omissions and to ensure our performance under the indemnification agreements. Each of our directors and executive officers is named as an insured under the policies and provided with the same rights and benefits as the most favorably insured of our directors and officers.

Director Compensation

Directors who also serve as employees receive no compensation for serving on our Board of Directors. Non-employee directors are each entitled to receive a \$50,000 annual retainer. In addition, non-employee

directors receive \$12,500 for each in-person meeting attended not to exceed \$75,000 in any given year. In 2010, each non-employee director also received grants of shares of restricted stock that will vest in 25% increments on each of the first four anniversaries following the date of grant.

The following table sets forth the compensation of our non-employee directors for the fiscal year ended December 31, 2010. Mr. Scott's service on the Board ended on February 28, 2011 pursuant to his retirement from the Board.

<u>Name</u>	<u>Fees Earned or Paid in Cash</u>	<u>Stock Awards(1)</u>	<u>Total</u>
Everett Dobson	\$125,000	\$275,006	\$400,006
William A. Gilliland	\$125,000	\$275,006	\$400,006
Daniel W. Jordan	\$125,000	\$275,006	\$400,006
Roy T. Oliver, Jr.	\$125,000	\$275,006	\$400,006
D. Dwight Scott	\$ 87,500	\$275,006	\$362,506
Jeffrey S. Serota	\$ 87,500	\$275,006	\$362,506

- (1) Includes the aggregate fair value at date of each grant of restricted stock to a named executive officer. The value is calculated in accordance with Financial Standards Board Accounting Standards Codification Topic 718, Compensation — Stock Compensation. These amounts do not necessarily correspond to the actual value that will be recognized by our directors.

Outstanding Equity Awards

The following table reflects all outstanding equity awards held by our directors as of December 31, 2010.

<u>Name</u>	<u>Stock Awards</u>	
	<u>Number of Shares or Units of Stock That Have Not Vested(1)</u>	<u>Market Value of Shares or Units of Stock That Have Not Vested(2)</u>
Everett R. Dobson	38,628(3)	\$282,757
William A. Gilliland	59,895(4)	\$438,431
Daniel W. Jordan	59,895(4)	\$438,431
Roy T. Oliver, Jr.	59,895(4)	\$438,431
D. Dwight Scott	58,506(5)	\$428,264
Jeffrey S. Serota	58,506(5)	\$428,264

- (1) Each award of restricted stock vests in 25% increments on the first four anniversary dates of the grant date.
- (2) Valuation based on \$7.32 per share, the last trading price on December 31, 2010.
- (3) Includes 3,978 shares of the 5,305 shares of restricted stock granted September 30, 2009; 12,685 shares of restricted stock granted January 8, 2010; and 21,965 shares of restricted stock granted on July 9, 2010.
- (4) Includes 1,389 shares of the 5,556 shares of restricted stock granted January 10, 2007; 1,574 shares of the 3,149 shares of restricted stock granted January 11, 2008; 969 shares of the 1,939 shares of restricted stock granted July 18, 2008; 9,554 shares of the 12,739 shares of restricted stock granted January 9, 2009; 11,759 shares of the 15,679 shares of restricted stock granted July 10, 2009; 12,685 shares of restricted stock granted January 8, 2010; and 21,965 shares of restricted stock granted on July 9, 2010.
- (5) Includes 1,574 shares of the 3,149 shares of restricted stock granted January 11, 2008; 969 shares of the 1,939 shares of restricted stock granted July 18, 2008; 9,554 of the 12,739 shares of restricted stock granted January 9, 2009; 11,759 of the 15,679 shares of restricted stock granted July 10, 2009; 12,685 shares of restricted stock granted January 8, 2010; and 21,965 shares of restricted stock granted on July 9, 2010. All of Mr. Scott's outstanding shares of restricted stock on February 28, 2011 were forfeited as a result of his retirement from the Board.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth the number of shares of our common stock beneficially owned as of March 31, 2011, by (1) those persons or any group (as that term is used in Section 13(d)(3) of the Exchange Act) known to beneficially own more than 5% of the outstanding shares of our common stock, (2) each named executive officer and director of the Company, and (3) all directors and executive officers of the Company as a group. For purposes of this table, beneficial ownership is determined in accordance with Rule 13d-3 under the Exchange Act. The following percentage information is calculated based on 410,648,845 shares of common stock that were outstanding as of March 31, 2011 plus any shares that may be acquired by each stockholder by May 30, 2011. Except as indicated below, the stockholders listed possess sole voting and dispositive power with respect to the shares beneficially owned by that person.

	Number of Shares Beneficially Owned	Percentage of Shares Beneficially Owned
Tom L. Ward(1)	18,763,808	4.57%
Matthew K. Grubb	145,102	*
James D. Bennett	0	*
Rodney E. Johnson	40,430	*
Todd N. Tipton	73,422	*
Jim J. Brewer	66	*
Everett R. Dobson	30,299	*
William A. Gilliland(2)	1,630,839	*
Daniel W. Jordan	1,404,704	*
Roy T. Oliver, Jr.(3)	1,102,350	*
Jeffrey S. Serota(4)	16,794	*
V. Prem Watsa(5)	51,396,056	11.67%
Franklin Resources, Inc.(6)	25,758,200	6.27%
Thornburg Investment Management, Inc.(7)	27,181,183	6.62%
All directors and executive officers as a group	23,401,694	5.70%

* Less than 1%

- (1) Includes 79,000 shares held through an IRA. Mr. Ward has pledged 18,644,918 of these shares as security for personal loans.
- (2) Includes 1,388,489 shares held by Gillco Energy, LP, for which Mr. Gilliland exercises voting and dispositive power. All of the shares held by Gillco Energy, LP are pledged as security.
- (3) Held by Oliver Active Investments, LLC, for which Mr. Oliver exercises voting and dispositive power. The shares are held in a margin brokerage account and, along with other securities held in the account, are pledged from time to time.
- (4) Mr. Serota is a senior partner in the Private Equity Group of Ares Management LLC (“Ares Management”). Mr. Serota has been granted shares of restricted stock for his service as a director. To the extent such shares have vested, he holds them as a nominee on behalf of, and for the sole benefit of, Ares Management and has assigned all economic, pecuniary and voting rights in respect of these securities to Ares Management. Mr. Serota disclaims beneficial ownership of all securities of our company directly and indirectly owned by Ares Management, except to the extent of any pecuniary interest of his in Ares Management.
- (5) According to a Schedule 13G filed with the SEC on February 15, 2011, V. Prem Watsa and entities affiliated with Mr. Watsa, as described in more detail below, beneficially owned 51,396,056 shares of common stock, which included 29,811,458 shares of common stock acquirable upon the conversion of shares of our preferred stock. Mr. Watsa’s beneficial ownership of the shares of common stock listed in the

table above consists of 277,000 shares owned directly by Mr. Watsa and 51,119,056 shares owned indirectly by Mr. Watsa through his affiliation with the following entities: 1109519 Ontario Limited, which is a corporation incorporated under the laws of Ontario (“1109519”), The Sixty Two Investment Company Limited, which is a corporation incorporated under the laws of British Columbia (“Sixty Two”), 810679 Ontario Limited, which is a corporation incorporated under the laws of Ontario (“810679”), Fairfax Financial Holdings Limited, which is a corporation incorporated under the laws of Canada (“Fairfax Financial”), and Fairfax Inc., which is a corporation incorporated under the laws of Wyoming; and (c) Odyssey America Reinsurance Corporation, which is a corporation incorporated under the laws of Connecticut (“Odyssey America”). The address for each of Mr. Watsa, 1109519, 810679 and Fairfax Financial is 95 Wellington Street West, Suite 800, Toronto, Ontario M5J 2N7. The address for Sixty Two is 1600 Cathedral Place, 925 West Georgia St., Vancouver British Columbia V6C 3L3, and the address for each of Fairfax Inc., and Odyssey America is 300 First Stamford Place, Stamford, Connecticut 06902.

- (6) According to a Schedule 13G filed with the SEC on February 10, 2011, the shares of common stock listed in the table above are beneficially owned by one or more open or closed-end investment companies or other managed accounts that are investment management clients of investment managers that are direct and indirect subsidiaries (the “Investment Management Subsidiaries”) of Franklin Resources, Inc. (“FRI”). Investment management contracts grant to the Investment Management Subsidiaries all investment and/or voting power over the securities owned by such investment management clients.

Charles B. Johnson and Rupert H. Johnson, Jr. (the “Principal Shareholders”) each own in excess of 10% of the outstanding common stock of FRI and are the principal stockholders of FRI. FRI and the Principal Shareholders may be deemed to be the beneficial owners of shares of our common stock. FRI, the Principal Shareholders and each of the Investment Management Subsidiaries disclaim any pecuniary interest in any of the shares. The address of Franklin Resources, Inc. is One Franklin Parkway, San Mateo, California 94403.

- (7) According to a Schedule 13G filed with the SEC on January 24, 2011, the 27,181,183 shares of common stock listed in the table above are beneficially owned by Thornburg Investment Management, Inc. (“Thornburg”). The address of Thornburg is 2300 North Ridgetop Road, Santa Fe, New Mexico 87506.

SECTION 16(a) BENEFICIAL OWNERSHIP COMPLIANCE

Section 16(a) of the Exchange Act requires our officers and directors and persons who own more than 10% of the outstanding shares of our common stock to file reports of ownership and changes in ownership concerning their shares of our common stock with the SEC and to furnish us with copies of all Section 16(a) forms they file. We are required to disclose delinquent filings of reports by such persons.

Based solely on the copies of such reports and amendments thereto received by us, or written representations that no filings were required, we believe that all Section 16(a) filing requirements applicable to our executive officers and directors and 10% stockholders were met for the fiscal year ended December 31, 2010, except for a late Form 4 filed on August 12, 2010 by Mr. Scott for a disposition of common stock occurring on July 26, 2010 pursuant to a trading plan adopted by Mr. Scott on July 8, 2009 in accordance with Rule 10b5-1 under the Exchange Act.

RELATED PARTY TRANSACTIONS

The following is a discussion of transactions between us and our officers and directors and the beneficial owners of more than 5% of the outstanding shares of our common stock. We maintain a written policy that requires any related party transaction (as defined below) to be reviewed and approved by the disinterested members of our Board of Directors. A related party transaction is a transaction, proposed transaction, or series of similar transactions, in which (a) we are a participant, (b) the amount involved exceeds \$120,000 and (c) a related person (as defined below) has or will have a direct or indirect material interest. A related person is (i) any

person who is, or at any time since the beginning of our last fiscal year was, a director, executive officer, or nominee to become a director, (ii) a person known to be the 5% beneficial owner of any class of our voting securities, (iii) an immediate family member of any of the foregoing persons, which means any child, stepchild, parent, stepparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law of such director, executive officer, nominee for director or more than 5% beneficial owner, and (iv) any person (other than a tenant or employee) sharing the household of such director, executive officer, nominee for director or more than 5% beneficial owner. The written policy includes factors to be considered by the disinterested members of our Board of Directors when determining whether to approve a proposed related party transaction. Factors to be considered include the terms of the transaction with the related party, availability of comparable products or services from unrelated third parties, terms available from unrelated third parties and benefits provided to us by the transaction.

Oklahoma City Thunder Sponsorship and Suite License

Messrs. Ward and Dobson own a 19.23% and 3.85% interest, respectively, in Professional Basketball Club, LLC (“PBC”), which owns and operates the Oklahoma City Thunder (“Thunder”), a National Basketball Association team playing in Oklahoma City, where our headquarters is located. Like other prominent Oklahoma City-based companies, we entered into an agreement related to the sponsorship of the team in September 2008. Under the five-year agreement, we will pay an average annual sponsorship fee of approximately \$3,275,000 for advertising and promotional activities related to the Thunder.

In addition, in October 2009, we entered into an agreement to license a suite at the arena where the Thunder plays its home games. Under the four-year agreement, we will pay an annual license fee in return for access to the suite during Thunder games and for other events held at the arena. The annual license fee for the first year is \$200,000 and may increase each year at the option of PBC in an amount not to exceed 3% of the license fee for the previous year; provided that if PBC elects not to increase the license fee in any given year, then its option for each subsequent year shall be equal to an amount not to exceed 3% of the what the license fee would have been had PBC elected to increase the license fee 3% each year under the agreement.

Other Transactions with Mr. Ward

We lease rights to minerals under certain areas of land in northwest Oklahoma from TLW Land & Cattle LP (“TLW LC”), an entity in which Mr. Ward has an ownership interest. In 2010, we developed some of the surface lands associated with these mineral interests and paid \$33,046 to TLW-LC pursuant to the development. We also paid royalties totaling \$302,554 to TLW-LC in connection with the production of oil and natural gas from these properties.

In September 2010, 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 \$1,791,120, and in January 2011, we acquired a working interest in additional acreage in the area for \$391,955. Our Board approved the transactions in accordance with its Related Party Transactions Policy. WCT also participates as a working interest owner in wells we operate in northwest Oklahoma, and during 2010, we paid revenue of \$242,363 to WCT as a working interest owner.

From time to time, the Company purchases from Mr. Ward tickets to various sporting and other entertainment events for use by Company employees. During 2010, the Company paid Mr. Ward approximately \$321,000 for use of such tickets.

GENERAL INFORMATION

Stockholder Proposals and Nominations

A stockholder who wants to make a proposal or nominate a person for membership on the Board of Directors at an annual meeting of stockholders must comply with the applicable requirements of the SEC and our Bylaws. Under our Bylaws, a notice of intent of a stockholder to bring any matter before the 2012 annual meeting of stockholders (other than a proposal or nomination intended to be included in our proxy statement) shall be made in writing and received by our Corporate Secretary not later than the close of business on March 7, 2012, nor earlier than the close of business on February 3, 2012. Every such notice by a stockholder shall set forth the information required under Article I, Section 11 of our Bylaws. In addition to the information included in such stockholder's notice, we may require any proposed nominee to furnish such other information as we may reasonably require to determine the eligibility of such proposed nominee to serve as a director of the Company. All stockholder proposals should be sent to our Corporate Secretary at 123 Robert S. Kerr Avenue, Oklahoma City, Oklahoma 73102.

A stockholder proposal or nomination submitted pursuant to Rule 14a-8 under the Exchange Act and intended to be included in our proxy statement relating to the 2012 annual meeting must be received no later than December 27, 2011.

Other Matters

The Board of Directors does not know of any other matters that are to be presented for action at the Annual Meeting. However, if any other matters properly come before the Annual Meeting or any adjournments of the meeting, it is intended that the enclosed proxy will be voted in accordance with the judgment of the persons voting the proxy.

Proxies are solicited to give all stockholders an opportunity to vote on matters properly presented at the Annual Meeting. We will pay the entire cost of the solicitation. We will reimburse brokers, nominees, fiduciaries and other custodians for reasonable expenses incurred by them for sending proxy materials to beneficial owners of our common stock. In addition, the Company has retained Innisfree M&A Incorporated to act as a proxy solicitor in conjunction with the Annual Meeting. The Company has agreed to pay that firm \$25,000, plus reasonable fees and out-of-pocket expenses, for proxy solicitation services for the Annual Meeting. Further, proxies may be solicited in person, or by telephone, facsimile transmission or other means of electronic communication, by our directors, officers or other employees, but such persons will not receive any special compensation for such services.

Annual Reports

Our Annual Report to Stockholders for the year ended December 31, 2010, including audited financial statements, accompanies this Proxy Statement. The Annual Report to Stockholders is not incorporated by reference into this Proxy Statement or deemed to be a part of the materials for the solicitation of proxies.

Our Annual Report on Form 10-K for the fiscal year ended December 31, 2010 is available on our website at <http://www.sandridgeenergy.com>. In addition, we will provide a copy of our Annual Report on Form 10-K for the fiscal year ended December 31, 2010 without charge to any stockholder making written request to SandRidge Energy, Inc., 123 Robert S. Kerr Avenue, Oklahoma City, Oklahoma 73102, Attention: Corporate Secretary.

By Order of the Board of Directors,



Philip T. Warman, Corporate Secretary

