

ARENA RESOURCES INC  
Form 425  
June 04, 2010

**Filed by SandRidge Energy, Inc.**  
**pursuant to Rule 425 under the Securities**  
**Act of 1933, as amended, and deemed filed**  
**pursuant to Rule 14a-12 under the Securities**  
**Exchange Act of 1934, as amended**  
**Subject Company: Arena Resources, Inc.**  
**Commission File No.: 001-31657**

The following presentation was posted to the SandRidge Energy, Inc. website on June 4, 2010.



2

Safe Harbor Language on Forward Looking Statements:

This  
presentation  
includes  
"forward-looking  
statements"  
within  
the  
meaning

of  
Section  
27A  
of  
the  
Securities  
Act  
of  
1933,  
as  
amended,  
and  
Section  
21E  
of  
the  
Securities  
Exchange  
Act  
of  
1934,  
as  
amended.  
These  
statements  
express  
a  
belief,  
expectation  
or  
intention  
and  
are  
generally  
accompanied  
by  
words  
that  
convey  
projected  
future  
events  
or  
outcomes.  
The  
forward-looking  
statements  
include  
statements  
relating

to  
the  
impact  
SandRidge  
Energy,  
Inc.  
expects  
the  
proposed  
merger  
with  
Arena  
Resources,  
Inc.  
to  
have  
on  
the  
combined  
entity's  
operations,  
financial  
condition,  
and  
financial  
results,  
and  
SandRidge  
Energy,  
Inc. s  
expectations  
about  
its  
ability  
to  
successfully  
integrate  
the  
combined  
businesses  
and  
the  
amount  
of  
cost  
savings  
and  
overall  
operational  
efficiencies

SandRidge  
Energy,  
Inc.  
expects  
to  
realize  
as  
a  
result  
of  
the  
proposed  
merger.  
The  
forward-looking  
statements  
also  
include  
statements  
about  
SandRidge  
Energy,  
Inc.'s  
future  
operations,  
estimates  
of  
reserve  
and  
resource  
volumes,  
reserve  
values,  
future  
drilling  
locations,  
costs,  
cash  
flow,  
hedging  
transactions,  
and  
anticipated  
timing  
for  
filings  
with  
regulatory  
agencies,  
shareholder

meetings  
and  
closing  
of  
the  
proposed  
merger.  
We  
have  
based  
these  
forward-looking  
statements  
on  
our  
current  
expectations  
and  
assumptions  
and  
analyses  
made  
by  
us  
in  
light  
of  
our  
experience  
and  
our  
perception  
of  
historical  
trends,  
current  
conditions  
and  
expected  
future  
developments,  
as  
well  
as  
other  
factors  
we  
believe  
are  
appropriate

under  
the  
circumstances.  
However,  
whether  
actual  
results  
and  
developments  
will  
conform  
with  
our  
expectations  
and  
predictions  
is  
subject  
to  
a  
number  
of  
risks  
and  
uncertainties,  
including  
the  
ability  
to  
obtain  
governmental  
approvals  
of  
the  
merger  
on  
the  
proposed  
terms  
and  
schedule,  
the  
failure  
of  
SandRidge  
Energy,  
Inc.  
or  
Arena  
Resources,



Inc.  
stockholders  
to  
approve  
the  
merger,  
the  
risk  
that  
the  
businesses  
will  
not  
be  
integrated  
successfully,  
the  
risk  
that  
the  
cost  
savings  
and  
any  
synergies  
from  
the  
merger  
may  
not  
be  
fully  
realized  
or  
may  
take  
longer  
to  
realize  
than  
expected,  
disruption  
from  
the  
merger  
making  
it  
more  
difficult  
to

maintain  
relationships  
with  
customers,  
employees  
or  
suppliers,  
the  
volatility  
of  
natural  
gas  
and  
oil  
prices,  
our  
success  
in  
discovering,  
estimating,  
and  
developing  
natural  
gas  
and  
oil  
reserves,  
the  
availability  
and  
terms  
of  
capital,  
our  
timely  
execution  
of  
hedge  
transactions,  
credit  
conditions  
of  
global  
capital  
markets,  
changes  
in  
economic  
conditions,  
regulatory

changes,  
including  
those  
related  
to  
carbon  
dioxide  
and  
greenhouse  
gas  
emissions,  
and  
other  
factors,  
many  
of  
which  
are  
beyond  
our  
control.

We  
refer  
you  
to  
the  
discussion  
of  
risk  
factors  
in  
Part  
I,  
Item  
1A

-  
Risk  
Factors  
of  
our  
Annual  
Report  
on  
Form  
10-K  
for  
the  
year  
ended  
December

31,  
2009  
and  
the  
Annual  
Report  
on  
Form  
10-K  
filed  
by  
Arena  
Resources,  
Inc.  
and  
in  
comparable  
risk  
factors  
sections  
of  
our  
and  
Arena  
Resources,  
Inc. s  
Quarterly  
Reports  
on  
Form  
10-Q  
filed  
after  
the  
date  
of  
this  
presentation.  
All  
of  
the  
forward-looking  
statements  
made  
in  
this  
presentation  
are  
qualified  
by

these  
cautionary  
statements.  
The  
actual  
results  
or  
developments  
anticipated  
may  
not  
be  
realized  
or,  
even  
if  
substantially  
realized,  
they  
may  
not  
have  
the  
expected  
consequences  
to  
or  
effects  
on  
our  
company  
or  
our  
business  
or  
operations.  
Such  
statements  
are  
not  
guarantees  
of  
future  
performance  
and  
actual  
results  
or  
developments  
may

differ  
materially  
from  
those  
projected  
in  
the  
forward-looking  
statements.  
We  
undertake  
no  
obligation  
to  
update  
or  
revise  
any  
forward-looking  
statements.  
The  
SEC  
permits  
oil  
and  
natural  
gas  
companies,  
in  
their  
filings  
with  
the  
SEC,  
to  
disclose  
only  
proved,  
probable  
and  
possible  
reserves,  
as  
each  
is  
defined  
by  
the  
SEC.  
At

times  
we  
use  
the  
term  
"EUR"  
(estimated  
ultimate  
recovery)  
to  
provide  
estimates  
that  
the  
SEC's  
guidelines  
prohibit  
us  
from  
including  
in  
filings  
with  
the  
SEC.  
In  
addition,  
this  
presentation  
includes  
a  
table  
demonstrating  
the  
sensitivity  
of  
proved  
oil  
and  
natural  
gas  
reserves  
to  
price  
fluctuations  
by  
comparing  
the  
reserves  
calculated

under  
the  
price  
assumptions  
required  
by  
current  
U.S.  
Securities  
and  
Exchange  
Commission  
( SEC )  
rules  
to  
(1)  
spot  
prices  
at  
December  
31,  
2009,  
and  
(2)  
the  
10-year  
average  
NYMEX  
strip  
prices  
as  
of  
December  
31,  
2009.  
The  
reserves  
presented  
under  
these  
alternative  
price  
assumptions  
are  
not  
calculated  
in  
accordance  
with  
current



SEC  
rules,  
and  
they  
have  
not  
been  
reviewed  
by  
independent  
petroleum  
engineers.  
These  
estimates  
are  
by  
their  
nature  
more  
speculative  
than  
estimates  
of  
proved,  
probable  
or  
possible  
reserves  
and,  
accordingly,  
are  
subject  
to  
substantially  
greater  
risk  
of  
being  
actually  
realized  
by  
the  
company.  
For  
a  
discussion  
of  
the  
company's  
proved

reserves,  
as  
calculated  
under  
current  
SEC  
rules,  
we  
refer  
you  
to  
the  
company's  
Annual  
Report  
on  
Form  
10-K  
referenced  
above,  
which  
is  
available  
on  
our  
website  
at  
[www.sandridgeenergy.com](http://www.sandridgeenergy.com)  
and  
on  
the  
SEC's  
website  
at  
[www.sec.gov](http://www.sec.gov).

Disclaimer (Page 1 of 2)

3  
IMPORTANT  
ADDITIONAL  
INFORMATION  
WILL  
BE  
FILED  
WITH  
THE  
SEC

This  
communication  
is  
being  
made  
in  
respect  
of  
the  
proposed  
business  
combination  
involving  
SandRidge  
Energy,  
Inc.  
and  
Arena  
Resources,  
Inc.  
In  
connection  
with  
the  
proposed  
transaction,  
SandRidge  
Energy,  
Inc.  
plans  
to  
file  
with  
the  
Securities  
and  
Exchange  
Commission  
(the  
SEC )  
a  
Registration  
Statement  
on  
Form  
S-4  
containing  
a  
Joint  
Proxy

Statement/Prospectus,  
and  
each  
of  
SandRidge  
Energy,  
Inc.  
and  
Arena  
Resources,  
Inc.  
may  
file  
with  
the  
SEC  
other  
documents  
regarding  
the  
proposed  
transaction.  
The  
definitive  
Joint  
Proxy  
Statement/Prospectus  
will  
be  
mailed  
to  
stockholders  
of  
SandRidge  
Energy,  
Inc.  
and  
Arena  
Resources,  
Inc.  
Investors  
and  
security  
holders  
of  
SandRidge  
Energy,  
Inc.  
and  
Arena

Resources,  
Inc.  
are  
urged  
to  
read  
the  
Joint  
Proxy  
Statement/Prospectus  
and  
other  
documents  
filed  
with  
the  
SEC  
carefully  
in  
their  
entirety  
when  
they  
become  
available  
because  
they  
will  
contain  
important  
information  
about  
the  
proposed  
transaction.  
Investors  
and  
security  
holders  
will  
be  
able  
to  
obtain  
free  
copies  
of  
the  
Registration  
Statement

and  
the  
Joint  
Proxy  
Statement/Prospectus  
(when  
available)  
and  
other  
documents  
filed  
with  
the  
SEC  
by  
SandRidge  
Energy,  
Inc.  
and  
Arena  
Resources,  
Inc.  
through  
the  
web  
site  
maintained  
by  
the  
SEC  
at  
[www.sec.gov](http://www.sec.gov).  
Free  
copies  
of  
the  
Registration  
Statement  
and  
the  
Joint  
Proxy  
Statement/Prospectus  
(when  
available)  
and  
other  
documents  
filed  
with

the  
SEC  
can  
also  
be  
obtained  
by  
directing  
a  
request  
to  
SandRidge  
Energy,  
Inc.,  
123  
Robert  
S.  
Kerr  
Avenue,  
Oklahoma  
City,  
Oklahoma  
73102,  
Attention:  
Investor  
Relations,  
or  
by  
directing  
a  
request  
to  
Arena  
Resources,  
Inc.,  
6555  
South  
Lewis  
Avenue,  
Tulsa,  
Oklahoma  
74136,  
Attention:  
Investor  
Relations.  
SandRidge  
Energy,  
Inc.,  
Arena  
Resources,



Inc.  
and  
their  
respective  
directors  
and  
executive  
officers  
and  
other  
persons  
may  
be  
deemed  
to  
be  
participants  
in  
the  
solicitation  
of  
proxies  
in  
respect  
of  
the  
proposed  
transaction.  
Information  
regarding  
SandRidge  
Energy,  
Inc. s  
directors  
and  
executive  
officers  
is  
available  
in  
its  
Annual  
Report  
on  
Form  
10-K  
for  
the  
year  
ended

December  
31,  
2009,  
which  
was  
filed  
with  
the  
SEC  
on  
March  
1,  
2010,  
and  
its  
proxy  
statement  
for  
its  
2009  
annual  
meeting  
of  
stockholders,  
which  
was  
filed  
with  
the  
SEC  
on  
April  
22,  
2009,  
and  
information  
regarding  
Arena  
Resources,  
Inc.'s  
directors  
and  
executive  
officers  
is  
available  
in  
its  
Annual  
Report

on  
Form  
10-K  
for  
the  
year  
ended  
December  
31,  
2009,  
which  
was  
filed  
with  
the  
SEC  
on  
March  
1,  
2010  
and  
its  
proxy  
statement  
for  
its  
2009  
annual  
meeting  
of  
stockholders,  
which  
was  
filed  
with  
the  
SEC  
on  
October  
29,  
2009.  
Other  
information  
regarding  
the  
participants  
in  
the  
proxy  
solicitation

and  
a  
description  
of  
their  
direct  
and  
indirect  
interests,  
by  
security  
holdings  
or  
otherwise,  
will  
be  
contained  
in  
the  
Joint  
Proxy  
Statement/Prospectus  
and  
other  
relevant  
materials  
to  
be  
filed  
with  
the  
SEC  
when  
they  
become  
available.

Disclaimer (Page 2 of 2)

4  
SandRidge

Who We Are  
(1)  
Using December 31, 2009 Pricing

5  
Is There Risk?

6  
US Natural Gas Drilling Activity Will Challenge Natural Gas Price

Assumes 22% US decline

<  
900

950  
Current

Gas  
Rigs

Horizontal  
Drilling  
<  
60%  
efficiency increase

Rig count continues to increase



7  
Simple Macro Oil Theory on Why?

BG

BP

Devon

Exxon-Mobil

Mitsui

StatOil

Total

WHY???

Oil is difficult to find.

Companies Focusing on North American Gas:

8

(a)

Includes WAHA and HSC basis swaps in 2011 and 2012

Natural gas swaps assume a ratio of 1:1 for Mcf

to MMBtu

Hedging

Year

Quarter Ending

Ending

3/31/2010

6/30/2010

9/30/2010

12/31/2010

12/31/2010

12/31/2011

12/31/2012

12/31/2013

Natural Gas Swaps:

Volume (Bcf)

20.48

19.79

20.01

20.01

80.29

0.00

0.00

0.00

Swap

\$7.95

\$7.32

\$7.55

\$7.97

\$7.70

NM

NM

NM

Natural Gas Basis Swaps:

(a)

Volume (Bcf)

20.25

20.48

20.70

20.70

82.13

104.03

113.46

14.60

Swap

\$0.74

\$0.74

\$0.74

\$0.74

\$0.74

\$0.47

\$0.55

\$0.46

Crude Oil Swaps:

Volume (MMBbls)

0.99

1.09

1.10

1.20

4.38

5.48

6.99

0.00

Swap

\$81.95

\$82.05

\$82.05

\$82.11

\$82.04

\$86.07

\$86.98

NM

9

Transaction

Summary

Strategy: Why Arena?

Increases exposure to oil (8,500 Boepd

86% Oil)

Single asset focus in the Central Basin Platform

Low risk drilling (2,700 locations)

Shallow vertical wells (less than 6,000 feet)

Proven production history (discovered in 1930)  
Seamless integration by SandRidge

Extensive existing operations in Permian Basin

Close proximity to Ft. Stockton service base (33 rigs)

Long term cost control with rig ownership  
SandRidge post acquisition plans to have over \$3.0 billion of hedges

Hedges for 2H10 -  
2013

Natural Gas upside for 2011 and beyond

Transaction:

191 MM new SandRidge shares issued, no assumed debt

Relative PV-10 (debt adjusted) supports ownership percentage

Expected closing July 2010

10  
Transaction  
Arena Key Attributes  
Production/Reserves  
<  
86%  
Oil  
Concentrated, operated oil-weighted Permian Basin position  
March  
2



disclosed  
net  
production  
<  
8,500  
Boepd  
with  
significant  
growth  
potential  
69.3 Mmboe  
proven reserves YE 2009  
Permian Basin Oil  
Approximately 67,600 Net Acres (85% Permian Basin)

High  
Working  
Interests  
(  
95%  
WI)  
Predictable Production Growth (from 200 to 8,500 Boepd  
in 5 years)  
Value  
Generation  
Driven  
by  
developing  
low  
risk  
San  
Andres  
wells  
@  
<  
4,500

Large, multi-year inventory with over 2,700 San Andres locations  
Clear  
Fork  
potential  
@  
<  
6,000  
Future Secondary and Tertiary Potential







11  
San Andres  
(4,300 )  
Clear Fork  
(6,000 )  
Delaware Basin  
Midland Basin  
PIÑON FIELD  
MIDLAND  
Ft. Stockton  
Service Base  
(33 drilling  
rigs)  
ODESSA  
WTO  
CENTRAL BASIN  
PLATFORM  
San Andres / Clear Fork  
Formations  
Concentrated West Texas Asset Base  
Combined  
West Texas  
Net Acreage  
Position  
<  
770,000  
acres  
SandRidge  
Arena











12  
Permian Basin (Fuhrman  
Mascho  
Field)  
Arena: Fuhrman-Mascho  
/ San Andres

2,700 low risk, 10 acre locations

35 Mboe  
gross per primary location

94.5 Mmboe  
EUR gross

950 Producing Wells

700 Wells Drilled Since 2005

Well  
Costs  
<  
\$500,000

Average  
Well  
Depth

4,500  
feet

SandRidge

Arena

CENTRAL BASIN PLATFORM

San Andres / Clear Fork

Formations

SandRidge

Permian

Production

<

12,000

Boe/d

Land

<

150,000

acres

(net)

Resource

Potential

<

287

Mmboe

<

2,700

Drilling

Locations

Estimated

Well

Costs

<

\$500,000

to

\$1.2MM

13

Permian Basin

Central Basin Platform

Note: Diagram is not to scale and is for illustration purposes only

Midland Basin

Delaware Basin

Central Basin Platform

2,000

3,000

4,000

6,000  
7,000  
8,000  
9,000  
10,000  
5,000

14

SandRidge

Combined Asset Analysis

(1)

2009 SEC 12 month average; \$3.87/Mcf, \$57.65/Bbl

(2)

Dec. 31, 2009 spot prices; \$5.79/Mcf, \$79.34/Bbl

(3)

Average 10 year NYMEX strip; \$6.94/Mcf, \$92.24/Bbl

(4)

Dec. 2009 average for SD, Mar. 2, 2010 for ARD

(1)

(1)

(1)

(4)

(1)

(2)

(3)

Post-Acquisition

Total Proven Reserves

(MMBoe)

219

69

288

Proved Developed

%

63%

37%

57%

Proven Oil Value

%

69%

99%

82%

Current Production

(MBoepd)

49.3

8.5

57.8

PV10 PROVEN (SEC)

\$MM

1,561

\$

1,121

\$

2,682

\$

PV10 PROVEN (12/31 SPOT)

\$MM

3,590

\$

1,820

\$

5,410

\$

PV10 PROVEN (NYMEX 10 yr avg)

\$MM

5,240

\$

2,234

\$  
7,474  
\$





15

SandRidge Permian Progression

(1)

SandRidge: February 2010 Permian average; Arena: March 2, 2010

(2)

2009 SEC 12 month average; \$3.87/Mcf, \$57.65/Bbl

(3)

Dec 31, 2009 spot prices; \$5.79/Mcf, \$79.34/Bbl

(4)

Average 10 year NYMEX strip; \$6.94/Mcf, \$92.24/Bbl

Permian Production

(MBoepd)

4.3

13.0

21.5

Net Acres

(M Acres)

56

148

205

Total Proven Reserves

(MMBoe)

43

117

183

Drilling Locations

(#)

740

2,694

5,700

PV10 PROVEN (SEC)

\$MM

424

\$

990

\$

2,053

\$

PV10 PROVEN (12/31 SPOT)

\$MM

778

\$

1,823

\$

3,557

\$

PV10 PROVEN (NYMEX 10 yr avg)

\$MM

1,025

\$

2,414

\$

4,546

\$

Permian Metrics

as of YE 2009

12/09

Permian

Acquisition

12/09

Permian

Acquisition

(2)

(2)

(1)

(3)

(4)



16  
SandRidge  
Potential  
MISSISSIPPIAN HORIZONTAL POTENTIAL

Land <  
115,000  
acres  
(net)

<  
280  
drilling  
locations

> 320 acre spacing assumption

EUR/WELL

<  
160  
Mbo,  
.45  
Bcf  
NW Oklahoma  
Mississippian Horizontal Play  
Non Op / Industry Activity  
12 wells producing  
Avg

First Month IP -  
150 Bopd, 400 Mcfpd  
MISSISSIPPIAN FAIRWAY  
TARGETED HORIZONTAL  
INTERVAL > 40

SandRidge

Operated

**WILEY 1-32H 35Bopd, 1,500 Mcfpd**

17  
SandRidge  
Position  
WOODFORD HORIZONTAL  
POTENTIAL

Land  
<  
45,000  
acres



<  
280  
drilling  
locations

5-8 Bcfe/well  
WOODFORD FAIRWAY  
DEVON ACTIVITY  
109,000 net acres  
6 Tcfe  
potential  
Woodford Play  
2011 Source of Funds  
WOODFORD INTERVAL > 100  
CIMAREX ACTIVITY  
94,000 net acres  
2-3 Tcfe  
potential  
WOODFORD FAIRWAY  
Downdip  
Limit  
Atoka  
Cleveland  
Redfork  
Cherokee Sand  
Hunton  
Osage  
Woodford  
Tonkawa  
Chester  
Meramac  
Springer  
Morrow  
CLR: Brown 1-2H  
7 day test: 4,200 Mcfpd  
, 100 Bopd  
CLR: Doris 1-25H  
Currently Drilling

18  
-  
20,000  
40,000  
60,000  
80,000  
100,000  
120,000  
1  
13

25

37

49

61

73

85

97

109

121

133

145

MONTHS

SandRidge

Energy

Daily Production --

MCFE

Average for Formation vs. Type Curve

Warwick Type Curve Wells

Piñon

Compares Favorably Against ANY U.S. Gas Play

\*NYMEX 10 Year Average \$6.94/Mcf \$92.24/Bbl

Warwick/Tesnus

7.3 Bcfe

wet gas

2.46 Bcfe

net

\*53% ROR

Finding Costs

\$.99/Mcfe

Tier 1 Economics

All HBP

Mature Field

High Perm Reservoir

In-Fill Development

19

Gross Thickness Map of the Warwick Caballos  
Piñon Field: 2009 Wells Drilled / 2010 Development Drilling







20

Piñon Development: Century Plant

Phase I Start-up: August 2010

Triple Treating Capacity

Largest Single Industrial Source CO

2

Capture Facility in North America

Currently Qualifies for Tax Credits

Will Benefit from Most Cap & Trade Proposals

\*Century Plant in partnership with Occidental Petroleum as of February 2010.



21  
SD Controls Over 550,000 Net Acres  
<  
\$20MM  
\$25MM Drilling Budget in 2010  
WTO Exploration: Prospects and Leads  
Piñon  
Field  
65 MILES  
<

1,300

SQUARE

MILES OF 3-D

SEISMIC

COVERAGE

Over -Thrust Prospects / Leads

Sub -Thrust Prospects / Leads

(Fusselman

& Ellenburger)

LF King 9 23

1

Note: Diagram is not to scale and is for illustration purposes only

Owens A 103

1A

22  
6 Exploration Risks in WTO / High Reward



23

Base

Cretaceous

Top Chert Interval

Penn Interval

Penn Interval

LF King 9 23-1

Western WTO: King Structure

Note: Diagram is not to scale and is for illustration purposes only

Top Caballos Interval Time

Structure Map

LF King 9 23-1

Top of Cab 8,558

Gross interval thickness 904  
Avg x-plot porosity of 2-3%  
High Resistivity in the Chert  
On the back-limb of a structural high  
Down dip from the crest of the structure  
Background gas to 85 units  
Gas sample tested 78% methane







24

Owens A 103-1A

Eastern WTO: Magnolia Structure

Note: Diagram is not to scale and  
is for illustration purposes only

Magnolia Structure

21,200 Acres

Drill Depth

11,665 Feet

5,000

of Structural Closure

Discovered the Owens Sand

100% Methane Gas

Top 6,400

Sand

Depth Structure Map

C. I. = 500 ft

W

E

Owens

Sand

6,400

Sand

Owens A 103-1A

Owens A 103-1A

E

W

S  
N  
N  
S  
6,400  
Sand  
Owens  
Sand

25

Owens SS: 10,337 -10,540

Gross: 101

Net: 61

Average Resistivity: 100

Average Cross-Plot Porosity: 9%

S  
w  
: 40%

Max Gas Show: 3,196 units

Perfs:  
10,460 -10,485

10,520 -10,530

Owens SS: 10,562 -10,720

Gross: 152

Net: 94

Average Resistivity: 100 Ohm-m

Average Porosity: 7%

S  
w  
: 42%

Max Gas Show: 2,100 units

Perfs:  
10,585 -10,595

10,615 -10,645

10,685 -10,695

Highest Flow Rate: 2548 MCFD  
WTO Exploration: Owens 103A  
1A / Owens Sand

26  
WTO Exploration: Owens 103A  
1A / 6,400  
Sand

Tesnus SS: 6,381 -6,874

Gross: 419

Net: 177

Average Resistivity: 40  
Ohm-m

Average Cross-Plot Porosity:  
10%

S  
w  
: 47.4

Max Gas Show: 1,597 units



28  
Notes and Preferred



