SANDRIDGE ENERGY INC
Form 10-K/A
April 30, 2018
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-K/A

(Amendment No. 1)

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2017

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from to

Commission File Number: 001-33784

SANDRIDGE ENERGY, INC.
(Exact name of registrant as specified in its charter)

Delaware	**20-8084793**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
123 Robert S. Kerr Avenue Oklahoma City, Oklahoma	**73102**
(Address of principal executive offices)	**(Zip code)**

(405) 429-5500
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Name of Each Exchange on Which Registered
Common Stock, $0.001 par value	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act:
None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Section 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. Yes No

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Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	Accelerated filer
Non-accelerated filer (Do not check if a smaller reporting company)	Smaller reporting company
	Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

The aggregate market value of our common stock held by non-affiliates on June 30, 2017 was approximately $586.9 million based on the closing price as quoted on the New York Stock Exchange. As of April 20, 2018 there were 35,402,981 shares of our common stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

None.

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EXPLANATORY NOTE

The purpose of this Amendment No. 1 to SandRidge Energy, Inc's Annual Report on Form 10-K for the fiscal year ended December 31, 2017 (this "Report"), filed with the U.S. Securities and Exchange Commission (the "SEC") on February 22, 2018 (the "Original Report"), is to amend Part III, Items 10 through 14 of the Original Report to include information previously omitted from the Original Report in reliance on General Instructions G to Form 10-K, which provides that registrants may incorporate by reference certain information from a definitive proxy statement filed with the SEC within 120 days after the end of the fiscal year.

We are also amending Part IV, Item 15 of the Original Report to include certain exhibits to be filed with this Amendment No. 1 to the Original Report.

Except as described above, this Amendment No. 1 to the Original Report does not amend, update or change any other items or disclosures in the Original Report and does not purport to reflect information or events subsequent to the filing thereof.

References in this report to the "Company," "SandRidge," "we," "our," and "us" mean SandRidge Energy, Inc., including its consolidated subsidiaries and variable interest entities of which it is the primary beneficiary.

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PART III

Item 10. ***Directors, Executive Officers and Corporate Governance***

The names of the members of our Board of Directors (the "Board") and certain information concerning each of them as of April 30, 2017 are set forth below.

Members of the Board of Directors

Name	**Age**	**Position**
Sylvia K. Barnes	61	Director
Kenneth H. Beer	60	Director
Michael L. Bennett	64	Chairman
William M. Griffin, Jr.	58	Director
David J. Kornder	57	Director

Sylvia K. Barnes. Ms. Barnes has served as a director since February 2018. Ms. Barnes has over thirty years of oil & gas finance experience and a background in engineering. Since April 2015, Ms. Barnes has been Principal and owner of Tanda Resources LLC, a privately-held oil and gas investment and consulting company. From 2011 to April 2015, Ms. Barnes served as Managing Director and Group Head for KeyBanc Capital Markets Oil & Gas Investment and Corporate Banking Group and was a member of the firm's Executive Committee. Prior to joining KeyBanc, Ms. Barnes was Head of Energy Investment Banking at Madison Williams from 2009 to 2011, and Managing Director at Merrill Lynch's energy investment banking practice. She joined Merrill as part of the firm's acquisition of Petrie Parkman & Co. From 1994 to 2000, Ms. Barnes worked as Managing Director and SVP for Nesbitt Burns, including serving as head of the firm's U.S. energy investment banking group. Prior to that she worked in various capacities at Nesbitt Burns and its parent company, Bank of Montreal. As a banker Ms. Barnes devoted her career to serving companies in the upstream oil and gas sector and she successfully executed a variety of mergers, acquisitions and divestiture transactions, and advised on public and private equity offerings and private debt and equity placements. Ms. Barnes currently services as a member on the board of directors of Pure Acquisition Corp (NASDAQ: PACQU), where she is Chair of the audit committee and a member of the nominating & governance and compensation committees. Ms. Barnes previously served on the Board of Directors of Halcon Resources Corporation (NYSE: HK) and as a member of its audit and reserves committees. Ms. Barnes began her career as a reservoir engineer for Esso Resources. Ms. Barnes graduated from the University of Manitoba with a Bachelor of Science in Engineering (Dean's List), was a licensed professional engineer in Alberta and earned a Masters of Business Administration in Finance from York University. She is experienced in advising boards of directors, special committees and executive management on financial decisions with strategic and governance considerations including mergers & acquisitions, being responsible for strategic growth initiatives, budgets and P&L, and raising private and public capital. Ms. Barnes' experience provides her with valuable insights into corporate strategy, capital allocation, equity and debt financing and the assessment and management of risks faced by energy companies.

The Board believes Ms. Barnes' extensive financial analysis and transaction experience and knowledge of the oil and gas industry qualifies her to serve on the Board.

Kenneth H. Beer. Mr. Beer has served as a director since April 2018. Mr. Beer has nearly forty years of financial analysis, transactional and managerial experience, as well as knowledge of the oil & gas industry. Since January 2011, Mr. Beer has been the Executive Vice President and Chief Financial Officer of Stone Energy Corporation, an oil and natural gas exploration and production company, prior to which, he served as the Senior Vice President and Chief Financial Officer from August 2005. During this time, he has been responsible for significant financial transactions including equity and debt offerings, investor relations, financial analysis and planning, risk management, marketing, IT and facilities. From 1992 to 2005, Mr. Beer was Partner and Director of Equity Research of Johnson Rice & Company, an energy brokerage and investment bank. From 1986 to 1992, Mr. Beer worked at Howard Weil, a U.S. energy investment business. From 1984 to 1985, Mr. Beer worked at Wood Mackenzie/Gintel, a research and consulting business for global energy, chemicals, metals and mining industries. From 1979 to 1981, Mr. Beer worked at Boston Consulting Group, a global management and strategy consulting firm. Additionally, Mr. Beer has previously served on the board of directors of International Shipholding (NYSE: ISH), including on its audit (chairman), compensation (chairman) and governance committees, and he currently serves as a board member of certain private entities. Mr. Beer has a Master's of Business Administration from Stanford University and an A.B. in Economics from Dartmouth College.

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The Board believes that Mr. Beer's financial analysis, transactional and managerial experience, as well as his knowledge of the oil and gas industry, service on other public company boards and his background in overseeing public company financial management and reporting qualify him to serve on the Board.

Michael L. Bennett. Mr. M. Bennett has served as a director since October 2016. Mr. M. Bennett has over forty years of technical and managerial experience in the petrochemical industry. From 1973 until 2010, Mr. M. Bennett was an employee of Terra Industries Inc., a manufacturer of nitrogen products. During such time he served in a variety of leadership roles, including Executive Vice President and Chief Operating Officer, from February 1997 until April 2001, and President and Chief Executive Officer, from April 2001 until April 2010, when the company was acquired by CF Industries. Since May 2010, Mr. M. Bennett has been a private investor with Albaton Enterprises LLC in Sioux City, Iowa. Mr. M. Bennett currently serves as Chairman of the board of directors of OCI N.V. (NYSE Euronext: OCI), a producer of nitrogen fertilizers, methanol, and other natural gas-based products, serving agricultural and industrial customers from the Americas to Asia. Mr. M. Bennett also serves as Chairman of the board of directors of OCI Partners, L.P. (NYSE: OCIP), which operates OCI Beaumont, the largest integrated ammonia and methanol production complex in the United States. In addition, Mr. M. Bennett previously served on the board of directors of Alliant Energy (NYSE: LNT) and is a past Chairman of the board of The Fertilizer Institute, the Methanol Institute, the Agribusiness Association of Iowa, and Morningside College.

The Board believes Mr. M. Bennett's senior management experience, his service on other public company boards and his background in overseeing public company financial management and reporting qualifies him to serve on the Board.

William (Bill) M. Griffin. Mr. B. Griffin has served as a director since October 2016 and Interim President and Chief Executive Officer ("CEO") of SandRidge since February 2018. Mr. B. Griffin has over thirty-five years of technical and leadership experience with active public and privately owned upstream energy organizations in most oil and gas basins throughout the United States and Gulf of Mexico. Mr. B. Griffin most recently served as President and CEO of Petro Harvester Oil & Gas, a private equity based company with oil production and asset development in the Williston Basin and U.S. Gulf Coast from 2012 to August 2015. Mr. B. Griffin founded and served as President of Ironwood Oil & Gas, a privately held upstream organization focused on acquisition and self-development of Texas horizontal natural gas fields and opportunities from 2008 to 2012. From 1999 to 2007, he had full business responsibilities for various U.S. onshore and offshore basins with El Paso Exploration and Production Company, ultimately serving as Sr. Vice President, Onshore U.S. Division. He held various technical and asset management positions, including District Vice President with Sonat Exploration Company, an oil and natural gas exploration and production business from 1990 to 1999 and began his career serving in various petroleum engineering and operations roles during tenure with TXO Production Corp., an oil and natural gas production company from 1981 to 1990. In addition to Petro Harvester Oil & Gas, Mr. B. Griffin previously served on the boards of Black Warrior Methane Corp. and Four Star Oil & Gas Company. Mr. B. Griffin is a registered professional engineer with a B.S. in mechanical engineering from Texas A&M University.

The Board believes Mr. B. Griffin's senior management experience in the exploration and production industry and his operational/technical experience in the exploration and production industry qualifies him to serve on the Board.

David J. Kornder. Mr. Kornder has served as a director since October 2016. Mr. Kornder has over twenty five years of experience in oil and gas and finance. In November 2016, Mr. Kornder co-founded Sequel Energy Group LLC, a privately held oil and gas company for which he serves as a Managing Director. Sequel Energy Group is financially backed by GSO Capital Partners and is focused on making investments in non-operated drilling joint ventures in proven areas with experienced oil and gas teams. From September 2008 until June 2015, Mr. Kornder served as President and Chief Executive Officer of Cornerstone Natural Resources, LLC, a privately held independent oil and gas company primarily focused on drilling and production in the Williston Basin in North Dakota. Previously, Mr. Kornder served as the Executive Vice President and Chief Financial Officer at BioFuel Energy Corp., a publicly traded ethanol production company, as Senior Vice President and Chief Financial Officer at Petrie, Parkman, LLC, a privately held investment bank focused on the energy sector, and as Executive Vice President, Chief Financial Officer and Director for Patina Oil & Gas Corporation, a publicly traded oil and gas company. Mr. Kornder also worked as the Assistant Vice President – Finance at Gillett Group Management and as a senior accountant with Deloitte, Haskins & Sells. Mr. Kornder presently serves on the boards of 3 Bear Energy, LLC, and Bear Cub Energy, both privately held midstream energy companies, and as a director of the Colorado Oil & Gas Association. Mr. Kornder holds a B.A. in accounting from Montana State University.

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The Board believes Mr. Kornder's senior management experience in the exploration and production industry, his prior service on other public company boards, his background in energy-focused investing and capital raising activities and his background in overseeing public company financial management and reporting qualifies him to serve on the Board.

Executive Officers

Set forth below is information regarding each of our executive officers as of April 30, 2018:

Name	**Age**	**Position**
William ("Bill") M. Griffin	58	President and CEO
Michael A. Johnson	52	Senior Vice President, Chief Financial Officer and Chief Accounting Officer
John P. Suter	57	Executive Vice President and Chief Operating Officer
Philip T. Warman	47	Executive Vice President, General Counsel and Corporate Secretary

Bill Griffin. Mr. B. Griffin was named President and CEO, effective February 8, 2018 on an interim basis. Biographical information about Mr. B. Griffin can be found above under the heading "Directors, Executive Officers and Corporate Governance —Members of the Board of Directors."

Michael A. Johnson. Mr. Johnson was named Chief Financial Officer, effective at the close of business on February 22, 2018 on an interim basis. Mr. Johnson joined SandRidge in August 2017 as the Company's Senior Vice President and Chief Accounting Officer. Prior to that, Mr. Johnson served as Senior Vice President – Accounting, Controller and Chief Accounting Officer at Chesapeake Energy Corporation from 2000 until May 10, 2017 and served as its Vice President of Accounting and Financial Reporting from 1998 to 2000 and as Assistant Controller from 1993 to 1998. From 1991 to 1993, Mr. Johnson served as Project Manager of Phibro Energy Production, Inc. From 1987 to 1991, he served as an Audit Manager of Arthur Andersen & Co. Mr. Johnson is a Certified Public Accountant and graduated from the University of Texas at Austin in 1987.

John P. Suter. Mr. Suter was appointed as Executive Vice President and Chief Operating Officer effective December 1, 2016. Mr. Suter joined SandRidge in April 2015 as Senior Vice President of Mid-Continent Operations, bringing with him extensive experience in the exploration and production sector, including most recently serving as Vice President of the Woodford business unit at American Energy Partners, LP from November 2013 to April 2015. From May 2010 to September 2013, he served as Vice President of Operations for Chesapeake Energy Corporation's Western Division, and before that, as Chesapeake's District Manager for the Barnett Shale and Southern Oklahoma assets. Before joining Chesapeake Energy, Mr. Suter served in various operational roles at Continental Resources, Inc., Cabot Oil & Gas Corporation and Petro-Lewis Corporation. He holds a Bachelor of Science degree in Petroleum Engineering from Texas Tech University.

Philip T. Warman. Mr. Warman was appointed as Executive Vice President, General Counsel and Corporate Secretary, effective February 8, 2018, with an expanded role encompassing the people and culture department. Mr. Warman joined SandRidge in August 2010 as Senior Vice President, General Counsel and Corporate Secretary. Prior to joining the Company, 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.

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.

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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, 2017.

Corporate Governance Guidelines, Code of Business Conduct and Ethics and Financial Code of Ethics

The Board has adopted corporate governance guidelines that define those governance practices of the Board that are not included in our Bylaws. Our Board 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 CEO and Senior Vice President, Chief Financial Officer and Chief Accounting Officer. Our corporate governance guidelines and codes can be found in the corporate governance section of our website at http://www.sandridgeenergy.com.

Audit Committee

SandRidge has a separately standing Audit Committee established in accordance with section 3(a)(58)(A) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). The Audit Committee members are Messrs. Kornder (Chairman) and Beer and Ms. Barnes. Each member of the Audit Committee has been determined by our Board to be an "audit committee financial expert" as defined under the rules of the SEC and to satisfy the independence requirements of Audit Committee members required by the Exchange Act and the New York Stock Exchange (the "NYSE") Listed Company Manual.

Item 11. ***Executive Compensation***

COMPENSATION DISCUSSION & ANALYSIS

The following Compensation Discussion and Analysis ("CD&A"), we describe our compensation philosophy, objectives and practices, our compensation setting process, our executive compensation program components, and the decisions regarding our named executive officers for 2017. Detailed information regarding the compensation earned by named executive officers is set forth in the Summary Compensation Table and other compensation tables contained in this CD&A.

2017 NAMED EXECUTIVE OFFICERS

Name	**Position**
James D. Bennett(1)	President & CEO
Julian M. Bott(2)	Executive Vice President and Chief Financial Officer
John P. Suter	Executive Vice President and Chief Operating Officer
Philip T. Warman	Executive Vice President, General Counsel, & Corporate Secretary
Robert S. ("Scott") Griffin(3)	Senior Vice President, People and Culture
Duane M. Grubert(4)	Executive Vice President, Investor Relations & Strategy

(1) Mr. J. Bennett departed the Company effective February 8, 2018.
(2) Mr. Bott departed the Company effective February 22, 2018.
(3) Mr. S. Griffin departed the Company effective March 1, 2018.
(4) Mr. Grubert departed the Company effective July 11, 2017.

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We present our CD&A in the following sections:

1. ***Executive Summary***. In this section, we lead with a message from the Compensation Committee, which is followed by a summary of our business strategy and performance, extensive stockholder outreach, and compensation highlights.

2. ***Our Executive Compensation and Governance Principles***. In this section, we describe the Company's executive compensation strategy and objectives.

3. ***Key 2017 Compensation Program Elements***. In this section, we highlight the material elements of the 2017 compensation program for named executive officers.

4. ***2017 Executive Compensation***. In this section, we explain each of the material elements of the 2017 compensation program for named executive officers established by the Board or the Compensation Committee.

5. ***Process for Determining 2017 Executive Compensation***. In this section, we describe the process for arriving at compensation decisions for 2017.

6. ***Actions Related to 2018 Executive Compensation***. In this section, we provide an overview of the Compensation Committee's compensation decisions made for 2018 including those in connection with the management transition.

7. ***Other Executive Compensation Matters***. In this section, we provide an overview of policies related to minimum stock ownership, compensation clawbacks, and the prohibition on pledging and derivative transactions, and we discuss the relationship between our executive compensation program and risk and the tax treatment of executive compensation.

1. Executive Summary

Compensation Committee Message and Report

DEAR FELLOW SANDRIDGE ENERGY STOCKHOLDERS,

The success of our business depends on setting and achieving goals tied to our strategic objectives. Incentivizing performance relative to those goals is fundamental to our compensation principles and executive compensation program. As we reflect on 2017, we are proud of the results that our Company delivered during a challenging period of low commodity prices and following the Company's emergence from Chapter 11 reorganization in October 2016. We believe these results are reflected in our near-top-quartile stock price performance for the year relative to our 2017 peer group. Although our team delivered on key performance goals in 2017, in light of our new strategic direction, discussions with large stockholders and robust deliberation among the independent members of the Board, we determined to transition to a new leadership team, which resulted in the departure of Messrs. J. Bennett, Bott and S. Griffin during the first quarter of 2018.

ALIGNING COMPENSATION WITH STRATEGY AND PERFORMANCE

Our business and principal source of revenue is the production of oil, natural gas, and natural gas liquids ("NGLs"). Our Company exceeded our production growth goals for 2017 while simultaneously surpassing our per unit adjusted operating cost reduction goal and effectively managing its capital program rate of return. We found establishing a balanced set of goals focused our management team on growth that contributes long-term value, not just growth for growth's sake.

Further, our team delivered on numerous qualitative goals that were fundamental to our Company's 2017 performance, including:

- Reducing 2017 total reportable incident rate by 33% and our motor vehicle incident rate by 41% compared to 2016.

- Increasing our NW STACK acreage position and entering into a $200 million development agreement with an initial $100 million tranche to efficiently fund the delineation of our NW STACK asset.

- Refinancing our non-conforming credit facility to increase our borrowing base, eliminate onerous covenants, release $50 million in cash from escrow and trigger the conversion of $264 million in convertible debt to equity.

Selling $21.9 million in non-core assets (resulting in $33.7 million in non-core asset sales since emerging from Chapter 11).

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STOCKHOLDER ENGAGEMENT AND FEEDBACK

The Compensation Committee, as well as the full Board, values input and feedback received from our stockholders. We were not satisfied with the outcome of our say-on-pay vote at our 2017 annual meeting of stockholders, having received only 43% of the votes cast. We therefore initiated robust engagement with our largest stockholders and proxy advisory firms Institutional Shareholder Services and Glass Lewis. We took the feedback we received seriously, and our 2017 and 2018 compensation programs are responsive to the concerns we heard. We expect to continue such engagement in the future.

2017 COMPENSATION DECISIONS

For 2017, we returned to historic base salaries and incentive opportunities that were effective prior to our reorganization in 2016 and we implemented a multi-metric performance scorecard comprised of important drivers of value creation for each of the annual incentive program and the performance share units granted under our long-term incentive program. The scorecard balanced production growth with cost reduction and capital program return goals to ensure our management team was not incentivized to pursue growth at any cost, a concern we heard among stockholders. Eliminating the incentive compensation structure the Company adopted during its chapter 11 reorganization, and the absence of comparable emergence equity awards from our 2017 long-term incentive program, addresses feedback we heard regarding outlier compensation levels, particularly for our CEO, in 2016. Our Compensation Committee also replaced its independent compensation consultant with Mercer Company (“Mercer”).

2018 COMPENSATION DECISIONS - GOING FORWARD

For 2018, the Compensation Committee and Board continued applying a balanced scorecard approach in establishing the annual incentive program and committed that 50% of the Company’s long-term incentive awards made later in 2018 would be performance-based. Further, in light of the departure of Mr. J. Bennett and the termination of his employment agreement, which contained minimum base salary and effective minimum bonus and long-term incentive opportunities, the Company may now recalibrate total target compensation for his successor in a way that is both competitive and more reflective of the compensation found among our peer group companies. We believe that the compensation package established for Bill Griffin, our Interim President and CEO, reflects these principles in a way that is consistent with the market for interim chief executives.

We held 7 Compensation Committee meetings during 2017 and numerous other informational update calls in addition to calls and in person meetings with stockholders. We are engaged and take our responsibilities very seriously in establishing and overseeing SandRidge’s executive compensation program.

By the Compensation Committee of the Board:

Sylvia K. Barnes, Chair | Michael L. Bennett

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2017 FINANCIAL AND OPERATIONAL PERFORMANCE

SandRidge Total Shareholder Return ("TSR") outperformed its E&P peer group average in 2017. For a complete description of the Company's 2017 peer group, see "Setting 2017 Target Compensation Levels–The Peer Group".

TSR PEER SHARE PRICE PERFORMANCE

Rank	TSR Peer	SORTED FY 2017 Return	Quartile
1	MTDR	19%	
2	SRCI	-5%	Q1
3	ECR	-9%	
5	HK	-18%	Q2
6	MPO	-21%	
7	LPI	-29%	
8	SN	-44%	Q3
9	CRZO	-44%	
10	OAS	-47%	
11	WLL	-48%	Q4
12	EPE	-65%	
13	JONE	-76%	
	TSR Peer Average	-32%	

2017 was a year of solid operating performance, delivering within, or exceeding our production and cost guidance.

What we said we would do[1]	What we did[2]	How we did it
4.0 - 4.2 MMBbls oil production	4.2 MMBbls **Oil Production at high point of guidance**	Increased production guidance Q2'17 by 200 Mboe (100% liquids) due to well performance in both plays and improved the Niobrara type curve due to shallower decline; generation 3 Niobrara wells collectively outperformed improved type curve by 8%; minimized Midcontinent downtime through various preventative methods with a production deferral rate of only 5%
14.0 - 14.7 MMBOE total production	14.9 MMBOE **Total Production exceeded highpoint of guidance**	
$8.00 - $9.00 Lease operating expense per BOE	$6.89 (19% under midpoint and 14% below the low end of the range) **Far exceeded LOE reduction goals**	Reduced lease operating guidance twice in 2017 (Q2'17 & Q3'17), primarily from efficiency and cost reduction gains in the Midcontinent. Centralized supervision and dispatch allowed for the reduction of associated headcount and water-hauling costs; extended artificial lift run-time and use of existing equipment reduced workover spend; electrical initiatives resulted in lower facility maintenance costs
$4.25 - $4.50 Adjusted G&A Expense per BOE[3]	$5.10 unadjusted G&A calculated in accordance with GAAP $3.72 (15% under midpoint and 12.5% below the low end of the range) **Far exceeded Adjusted G&A Expense reduction goals**	Realized savings through intensive office and fleet cost management, reduced consulting spend and project timing, and favorable legal outcomes

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1 As detailed under "2017 Capital Expenditure and Operational Guidance" in the Company's press release titled, "SandRidge Energy, Inc. Reports Financial and Operational Results for Fourth Quarter and the Full Year of 2016" issued February 22, 2017.

2 As detailed under "2017 Actual Results v. 2017 Capital Expenditure and Operational Guidance" in the Company's press release titled, "SandRidge Energy, Inc. Reports Financial and Operational Results for Fourth Quarter and Full Year of 2017" issued February 21, 2018.

37 Adjusted G&A expense is a non-GAAP financial measure. The Company has defined this measure and reconciled to the most directly comparable GAAP financial measure in the attached Exhibit 99.4 to this Report.

Safety, capital program return, balance sheet initiatives and acquisition and divestiture activity improved SandRidge's competitiveness in 2017

14.7 MMBOE
Proved reserves added, representing 203% reserve replacement in 2017

TRIR of 0.40
Total recordable incident rate reduced 33% from 2016

MVIR of 1.46
Motor vehicle incident rate reduced 41% from 2016

$264 million
Eliminated in convertible debt

Refinanced non-conforming credit facility with onerous covenants to a conforming credit facility with increased borrowing base

$9 million savings in Non-D&C workover capex, reduced by 24%

Acquired NW STACK
Bolt-on acreage

$200 Million
Executed Development Agreement (initial tranche $100 million) to fund delineation of NW STACK assets.

$21.9 million of non-core asset sales ($33.7 million from the Company's active divestiture program since its emergence from Chapter 11 reorganization in October 2016.)

STOCKHOLDER ENGAGEMENT AND ADVISORY VOTE ON COMPENSATION

Investor Outreach

How we engage with our investors

Both the Compensation Committee and the full Board value the input and feedback received from our stockholders, and we view our stockholder outreach efforts as an important part of our compensation setting process. Beginning in 2017 and continuing into the first quarter of 2018, the Board has supplemented management's investor outreach with its own extensive engagement to directly solicit and receive stockholder input on the Company's business strategies, governance and executive compensation. We believe such outreach helps ensure that the issues that matter most to our stockholders are understood and considered by management and the Board. We plan to continue engagement practices adopted by the Board throughout the year.

We heard you and took action

At the 2017 annual meeting of stockholders, our executive compensation program for 2016 received the support of approximately 43% of the votes cast. Acknowledging our vote result, and in line with our commitment to ongoing stockholder engagement, during the fall of 2017, we solicited feedback from our largest stockholders representing approximately 60% of the Company's outstanding common stock. We held conversations with holders representing greater than 40% of shares then outstanding as well as prominent proxy advisory firms Institutional Stockholder Services and Glass Lewis.

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While we were not satisfied with the outcome of our 2017 advisory Say-on-Pay vote, we view it as an opportunity to continue to engage with stockholders, evaluate their input, and improve our pay programs and policies. The following timeline of key events reflects the Company's strong engagement with its stockholders:

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Stockholders were generally supportive of our outreach and our 2017 compensation programs and approach, as we described them. These were some key themes expressed by our stockholders:

What we heard	What we did for 2017	What we are doing for 2018
2016 compensation was too high. We heard concerns that the size of different compensation elements adopted by the Company in connection with its Chapter 11 reorganization – the short-term cash-settled performance program and the equity emergence grants following the Company's emergence – resulted in aggregate compensation levels that were an outlier to prior years.	The Company returned to a compensation program consisting of base salary, performance-based annual incentive and a combination of time- and performance-based long-term incentive compensation at historic target levels. The salary for the Company's CEO returned to the minimum prescribed by his employment agreement and his total direct compensation for 2017 was less than 40% of that in 2016.	The Compensation Committee, in consultation with its independent compensation consultant, has set interim CEO compensation at a competitive level considering relevant market data. Going forward, Mr. J. Bennett's departure permits the Company to recalibrate total target compensation for his successor in a way that is both competitive and more reflective of the compensation found among our peer group companies.
Metrics that incentivize growth for growth's sake are inappropriate. We heard concerns that production growth and reserves growth goals may provide perverse incentives, which could be mitigated if balanced with other metrics.	The Company adopted a balanced scorecard approach in our 2017 annual incentive program. Our Capital Program Return (25%), Per Unit Adjusted Operating Cost (25%) and qualitative (25%) metrics ensure that we are not solely focused on production growth (25%) at any expense. The Compensation Committee determined to use a discretionary approach to long-term incentive metrics relating to earnings before interest, taxes, depreciation and amortization ("EBITDA") growth and proved reserves growth to eliminate the potential for stale targets and allow the Board and management to make decisions based on the best outcome for the business irrespective of the impact to a specific performance measure.	The Company continued a balanced scorecard approach in our 2018 annual incentive program. Significant portions of our named executive officer compensation continue to be at risk and tied to stock price performance, which ensures that our executives remain focused on delivering value to stockholders.

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What we heard	What we did for 2017	What we are doing for 2018
A larger proportion of the long-term incentive should be performance-based. We heard concerns regarding the weighting of our long-term incentive program, specifically that the 2016 emergence grant, which consisted of 25% performance units was insufficiently performance-based.		While the 2017 long-term incentive program continued with a 25% proportion of performance share units, the Compensation Committee committed that the 2018 long-term incentive program will consist of 50% performance share units when grants are made in July 2018 and incorporate three-year vesting and performance periods.
Single trigger equity acceleration upon a Change in Control. We heard concerns that such a provision may discourage potential buyers of the Company.	Beginning in December 2017, all restricted stock awards contain double trigger vesting language.	

We are committed to continuing to evaluate this and other feedback we receive as part of our ongoing stockholder engagement process. We will continue to refine and update our compensation programs and policies to maintain continued alignment of management’s interests with those of stockholders and ensure that our programs reinforce our strong pay-for-performance philosophy.

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2. Our Executive Compensation and Governance Principles

HOW OUR COMPENSATION PROGRAM IS ALIGNED WITH COMPANY PERFORMANCE

SandRidge's compensation programs are driven by the following guiding principles:

Guiding Principles	How We Meet Our Principles
Attract, motivate and retain high performing individuals that will successfully execute our strategic financial and operational priorities	Provide a competitive total compensation package taking into account base salary, incentives and benefits Provide a significant portion of each named executive officer's target total direct compensation in the form of variable, performance-based compensation Long-term incentives with multi-year performance and vesting periods help to retain executives
Pay competitive levels considering a combination of market data from our peers, an individual's duties and responsibilities, and the performance of the individual and the Company	Regularly evaluate our pay programs against the competitive market of our peer group Individual compensation decisions are made based on market rate, as well as individual and Company performance, time in role, scope of responsibility, leadership skills and experience
Align compensation – both program design and levels – with stockholder interests, while rewarding long-term value creation and discouraging excessive risk taking	Align our executive compensation with short-term and long-term performance of the Company The annual incentive program uses a balanced approach scorecard containing strategic, financial and operational goals to encourage executives to execute on short-term goals that lead to long-term stockholder value Pay programs contain a substantial proportion of long-term incentive compensation Share ownership guidelines contribute to alignment between long-term stockholder value and management decisions Clawback policy provides the Board with the discretion to recover incentive compensation paid in connection with misstated financial or operating results resulting from fraud, misconduct, or a violation of Company policy
Promote and emphasize high ethical conduct, safety and environmental stewardship	Stock ownership guidelines and clawback, anti-hedging and anti-pledging policies for executive officers and directors Qualitative safety and environmental goals ensure that these matters are front and center when the Company pursues its other operational goals

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What We Do & What We Do Not Do

Below is a summary of executive compensation practices we have adopted, and a list of problematic pay practices that we avoid to help reinforce our compensation principles:

What We Do

Align compensation with stockholders' interests – the majority of the value of our compensation programs are tied to stock price and/or Company performance

Link performance incentive compensation to the achievement of pre-established goals tied to operational, financial, and strategic objectives

Engage in a rigorous target-setting process for incentive plan metrics

Use market data from a relevant peer group as a key input in our compensation setting process

Maintain a clawback policy

Apply robust stock ownership guidelines

Annually perform a risk assessment of our compensation programs and policies

Use an independent compensation consultant

What We Do Not Do

No "single-trigger" change-of-control cash payments

No tax gross-ups

No excessive perquisites

No hedging or pledging of Company stock

No repricing of underwater stock options

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3. Key 2017 Compensation Program Elements

We provide our executives with a mix of compensation featuring short- and long-term pay periods, fixed and variable payment amounts tied to performance, and cash and equity-based consideration reflective of our compensation philosophy and objectives. Retirement programs and other forms of compensation are not detailed in our key compensation programs (for additional information about these programs see "2017 Executive Compensation").

Fixed	Variable
	Long-Term Incentive Program