

SANDRIDGE ENERGY INC
 Form 424B3
 December 02, 2009
Table of Contents

Filed pursuant to Rule 424(b)(3)
 SEC File No. 333-158556

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered	Proposed Maximum Offering Price Per Share	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee
Common Stock, par value \$0.001	25,600,000(1)	\$8.85	\$226,560,000	\$12,642.05(2)

- (1) Includes 3,600,000 shares that the underwriters may purchase to cover over-allotments.
 (2) Calculated in accordance with Rules 457(b) and 457(r) under the Securities Act of 1933. In addition, this prospectus supplement covers the resale by the selling stockholder of up to 2,000,000 shares of the common stock. The registration fee for these 2,000,000 shares was previously paid in connection with the filing of Registration Statement Number 333-158556.

PROSPECTUS SUPPLEMENT

(To Prospectuses dated April 13, 2009)

24,000,000 Shares

SandRidge Energy, Inc.

Common Stock

SandRidge Energy, Inc. is offering 22,000,000 shares of our common stock and Tom L. Ward, our Chairman, Chief Executive Officer and President, is offering 2,000,000 shares of our common stock. We will not receive any of the proceeds from the shares of our common stock sold by Mr. Ward.

Our common stock is listed on The New York Stock Exchange under the symbol SD. The last reported sale price of our common stock on The New York Stock Exchange on December 1, 2009 was \$8.99 per share.

Investing in our common stock involves risks. See Risk Factors beginning on page S-5 of this prospectus supplement.

	Per Share	Total
Public offering price	\$ 8.85	\$ 212,400,000
Underwriting discount	\$ 0.354	\$ 8,496,000
Proceeds, before expenses, to us	\$ 8.496	\$ 186,912,000
Proceeds, before expenses, to Mr. Ward	\$ 8.496	\$ 16,992,000

We have granted the underwriters an option exercisable for up to 30 days from the date of this prospectus supplement to purchase up to an additional 3,600,000 shares of our common stock on the same terms and conditions as set forth above to cover over-allotments.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectuses are truthful or complete. Any representation to the contrary is a criminal offense.

The underwriters expect to deliver the shares of common stock on or about December 7, 2009.

Barclays Capital

BofA Merrill Lynch

RBC Capital Markets

**Deutsche Bank Securities
Simmons & Company International**

Howard Weil Incorporated

**J.P. Morgan
Tudor, Pickering, Holt & Co.**

**BNP PARIBAS
Johnson Rice & Company L.L.C.
RBS**

Calyon Securities (USA) Inc.

**Comerica Securities
Mitsubishi UFJ Securities
SunTrust Robinson Humphrey**

Prospectus Supplement dated December 1, 2009

Table of Contents

This document is in three parts. The first part is this prospectus supplement, which describes the specific terms of this offering of common stock. The second and third parts are the accompanying prospectuses, which provide more general information about the securities we and certain of our stockholders, including Mr. Ward, may offer from time to time. Some of the information in the accompanying prospectuses does not apply to this offering. You should read this prospectus supplement and the accompanying prospectuses, together with the additional information described under the heading Where You Can Find More Information, before deciding to invest in the common stock being offered.

TABLE OF CONTENTS

Prospectus Supplement

<u>Where You Can Find More Information</u>	iii
<u>Cautionary Statement Regarding Forward-Looking Statements</u>	iv
<u>Summary</u>	S-1
<u>Risk Factors</u>	S-5
<u>Use Of Proceeds</u>	S-5
<u>Capitalization</u>	S-6
<u>Price Range Of Common Stock</u>	S-7
<u>Dividend Policy</u>	S-7
<u>Selling Stockholder</u>	S-8
<u>Certain U.S. Tax Consequences to Non-U.S. Holders</u>	S-9
<u>Underwriting</u>	S-13
<u>Legal</u>	S-22
<u>Experts</u>	S-22

Primary Offering Prospectus dated April 13, 2009

<u>About This Prospectus</u>	1
<u>The Company</u>	1
<u>Where You Can Find More Information</u>	2
<u>Cautionary Statement Regarding Forward-Looking Statements</u>	3
<u>Risk Factors</u>	5
<u>About The Subsidiary Guarantors</u>	9
<u>Use Of Proceeds</u>	9
<u>Ratio Of Earnings To Fixed Charges And Earnings To Fixed Charges And Preferred Dividends</u>	10
<u>Description Of Debt Securities</u>	11
<u>Description Of Capital Stock</u>	23
<u>Description Of Warrants</u>	28
<u>Plan of Distribution</u>	29
<u>Legal</u>	30
<u>Experts</u>	30

Secondary Offering Prospectus dated April 13, 2009

<u>About This Prospectus</u>	1
<u>The Company</u>	1
<u>Where You Can Find More Information</u>	1
<u>Cautionary Statement Regarding Forward-Looking Statements</u>	2
<u>Risk Factors</u>	4
<u>Use Of Proceeds</u>	5
<u>Selling Stockholders</u>	5
<u>Description Of Capital Stock</u>	7
<u>Plan of Distribution</u>	12

Legal
Experts

14
14

Table of Contents

You should rely only on the information contained or incorporated by reference in this prospectus supplement and the accompanying prospectuses and in any written communication from us specifying the final terms of the offering. To the extent the information in this prospectus supplement differs from the information in the accompanying prospectuses, you should rely on the information in this prospectus supplement. Neither we, the selling stockholder nor the underwriters have authorized anyone to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. Neither we, the selling stockholder nor the underwriters are making an offer to sell or soliciting an offer to buy these securities in any jurisdiction where the offer or solicitation is not permitted. The information in this prospectus supplement, the accompanying prospectuses, the documents incorporated by reference and any written communication from us specifying the final terms of the offering is only accurate as of the date of the respective document in which the information appears, regardless of the time of delivery of this prospectus supplement or any sale of a security. Our business, financial condition, results of operations and prospects may have changed since those dates.

Table of Contents

WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and current reports, proxy statements and other information with the SEC (File No. 001-33784) pursuant to the Securities Exchange Act of 1934, as amended (the Exchange Act). Our SEC filings are available to the public through the SEC's website at <http://www.sec.gov>. You may read and copy any document we file at the SEC's public reference room, which is located at 100 F Street, NE, Washington, D.C. 20549. You can obtain further information about the operation of the public reference room by calling the SEC at 1-800-SEC-0330.

The SEC allows us to incorporate by reference information that we file with it, which means that we can disclose important information to you by referring you to documents previously filed with the SEC. The information incorporated by reference is an important part of this prospectus supplement, and the information that we later file with the SEC will automatically update and supersede this information. We incorporate by reference the documents listed below that we have filed with the SEC and any future filing that we make with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act (excluding any information furnished under Item 2.02 or Item 7.01 on any Current Report on Form 8-K) until the offering of the securities described in this prospectus supplement is terminated:

our Annual Report on Form 10-K for the year ended December 31, 2008, filed with the SEC on February 26, 2009, as amended on April 23, 2009;

our Quarterly Reports on Form 10-Q for the periods ended March 31, 2009, June 30, 2009, and September 30, 2009, which were filed with the SEC on May 7, 2009, August 6, 2009, and November 5, 2009, respectively;

our Current Reports on Form 8-K filed with the SEC on each of January 14, 2009, January 21, 2009, March 9, 2009, April 6, 2009, April 21, 2009, April 28, 2009, May 15, 2009, June 9, 2009, July 7, 2009, September 28, 2009 and November 30, 2009 (excluding information furnished under Item 2.02 in the Current Reports filed January 14, 2009 and April 28, 2009, including the related exhibits, which are not incorporated by reference); and

the description of our common stock contained in our registration statement on Form 8-A dated October 30, 2007, including any amendment to that form that we may file in the future for the purpose of updating the description of our common stock.

You may request a copy of these filings at no cost by writing or telephoning us at the address and telephone number below. We will not send exhibits to such documents unless such exhibits are specifically incorporated by reference in such documents. Please direct requests for documents incorporated by reference to:

Richard J. Gognat

Corporate Secretary

SandRidge Energy, Inc.

123 Robert S. Kerr Avenue

Oklahoma City, Oklahoma 73102-6406

(405) 429-5500

We also maintain a website at <http://www.sandridgeenergy.com>. The information on our website is not part of this prospectus supplement.

Table of Contents

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Various statements contained in or incorporated by reference into this prospectus supplement, our filings with the SEC and our public releases, including those that express a belief, expectation, or intention, as well as those that are not statements of historical fact, are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the Securities Act), and Section 21E of the Exchange Act. These forward-looking statements may include projections and estimates concerning capital expenditures, our liquidity and capital resources, the timing and success of specific projects, outcomes and effects of litigation, claims and disputes, elements of our business strategy and other statements concerning our operations, economic performance and financial condition. Forward-looking statements are generally accompanied by words such as estimate, project, predict, believe, expect, anticipate, potential, could, may, foresee, plan, convey the uncertainty of future events or outcomes. We have based these forward-looking statements on our current expectations and assumptions about future events. These statements are based on certain 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. These forward-looking statements speak only as of the date of this prospectus supplement; we disclaim any obligation to update or revise these statements unless required by law, and we caution you not to rely on them unduly. While our management considers these expectations and assumptions to be reasonable, they are inherently subject to significant business, economic, competitive, regulatory and other risks, contingencies and uncertainties relating to, among other matters, the risks discussed in our Annual Report on Form 10-K, as amended, for the year ended December 31, 2008 and our subsequent SEC filings, including our Quarterly Reports on Form 10-Q for the periods ended June 30, 2009 and September 30, 2009, and those factors summarized below:

the volatility of natural gas and crude oil prices;

uncertainties in estimating natural gas and crude oil reserves;

the need to replace the natural gas and crude oil reserves we produce;

our ability to execute our growth strategy by drilling wells as planned;

the need to drill productive, economically viable natural gas and crude oil wells;

risks and liabilities associated with acquired properties;

our ability to successfully complete the purchase of certain assets of Forest Oil Corporation and one of its subsidiaries (Forest);

the amount, nature and timing of capital expenditures, including future development costs, required to develop the West Texas Overthrust (WTO);

concentration of operations in the WTO;

economic viability of WTO production with high CO₂ content;

availability of natural gas production for our midstream services operations;

limitations of seismic data;

risks associated with drilling natural gas and crude oil wells;

availability of satisfactory natural gas and crude oil marketing and transportation;

availability and terms of capital;

substantial existing indebtedness;

limitations on operations resulting from debt restrictions and financial covenants;

potential financial losses or earnings reductions from commodity derivatives or, in the event that Congress adopts derivatives legislation increasing capital or margin requirements, our ability to hedge risks associated with our business or the costs of our hedging activity;

competition in the oil and gas industry;

Table of Contents

general economic conditions, either internationally or domestically or in the jurisdictions in which we operate;

costs to comply with current and future governmental regulation of the oil and gas industry, including laws and regulations concerning emissions of greenhouse gases, hydraulic fracturing and other environmental, health and safety matters;

potential elimination of U.S. federal income tax deductions currently available with respect to oil and gas exploration and development; and

the need to maintain adequate internal control over financial reporting.

Table of Contents

SUMMARY

*This summary highlights information contained elsewhere in this prospectus supplement and the accompanying prospectuses. It does not contain all of the information you should consider before making an investment decision. You should read the entire prospectus supplement, the accompanying prospectuses, the documents incorporated by reference and the other documents to which we refer for a more complete understanding of this offering. Please read the sections entitled *Risk Factors* in this prospectus supplement and in of each of the accompanying prospectuses and additional information contained in our Annual Report on Form 10-K, as amended, for the year ended December 31, 2008 and Quarterly Reports on Form 10-Q for the periods ended June 30, 2009 and September 30, 2009, which are incorporated by reference in this prospectus supplement, for more information about important factors that you should consider before buying our common stock in this offering.*

Unless the context requires otherwise or unless otherwise noted, all references in this prospectus supplement or the accompanying prospectuses to SandRidge, we or our are to SandRidge Energy, Inc. and its subsidiaries.

SandRidge Energy, Inc.

We are an independent natural gas and crude oil company concentrating on exploration, development and production activities. We also own and operate drilling rigs and conduct related oil field services, and we own and operate interests in gas gathering, marketing and processing facilities and CO₂ gathering and transportation facilities.

Our principal executive offices are located at 123 Robert S. Kerr Avenue, Oklahoma City, Oklahoma 73102. Our common stock is listed on The New York Stock Exchange under the symbol SD.

Recent Developments

Acquisition of Oil and Gas Properties in the Permian Basin

On November 30, 2009, we announced the signing of a definitive purchase agreement to acquire oil and gas properties in the Permian Basin from Forest for \$800 million, subject to customary closing conditions, including clearance under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, and purchase price adjustments (which we refer to as the Permian Basin Acquisition or the Acquisition). We anticipate the Acquisition will close before December 31, 2009, and will be financed with borrowings under our existing credit facility, proceeds from the private placement of \$200 million of our 6.0% convertible perpetual preferred stock and this offering. The Acquisition will expand our existing position in the Permian Basin and increase oil production. Based on preliminary financial data, we expect the Acquisition will be accretive to 2010 cashflow. We cannot assure you, however, that the Acquisition will close on these terms, on a timely basis or at all. This offering is not conditioned upon closing of the Acquisition.

The assets consist primarily of six operated areas in the Central Basin Platform and greater Permian Basin area of west Texas and eastern New Mexico. These properties are characterized by multiple producing horizons including the Spraberry, Wolfcamp, Grayburg, San Andres and Wichita-Albany formations. Additionally, there are significant undeveloped properties in the Clear Fork formation. We believe these properties have been under-exploited and that there is an opportunity to generate substantial value through extending the existing producing fields, increased density drilling, improved oil recovery potential with our proven hydraulic fracturing methodology and enhanced pay identification through the use of modern logging applications. This Acquisition provides scale to accelerate growth in an area where we have developed in-house expertise to complete the formations more efficiently and economically.

Table of Contents

Approximately 98% of the production is operated and the properties cover over 90,000 net acres of which nearly 80% is held by production. The Acquisition is expected to add wells producing approximately 7,670 Boepd and total proved reserves of 80 MMboe, 65% of which are liquids. In anticipation of closing this Acquisition, SandRidge has hedged over \$975 million of additional oil revenue for 2010 through 2012. When combined with the existing natural gas and oil hedges in place, SandRidge now has approximately 70-75% of 2010 expected equivalent production hedged at \$8.79 per Mcfe.

Unless otherwise specifically stated, the information included in this prospectus supplement, the accompanying prospectuses and documents incorporated by reference do not include information related to the Acquisition.

The foregoing estimates of reserves and production are based on estimates of our engineers without review by an independent petroleum engineering firm. Data used to make these estimates were furnished by Forest. We cannot assure you that these estimates of proved reserves and production are accurate. After such data is reviewed by an independent petroleum engineering firm, Permian Basin Acquisition reserves may differ materially from the amounts indicated above.

Audited historical financial information for the operations comprising the Permian Basin Acquisition is not currently available. We plan to file separate financial statements and pro forma financial information, as required by SEC rules, in a Current Report on Form 8-K within the prescribed time period following consummation of the Acquisition. Preliminary leasehold operating statements provided to us by Forest indicate that the properties comprising the Acquisition had revenues for the nine months ended September 30, 2009 and September 30, 2008 between \$61.0 - \$67.5 million and \$156.5 - \$173.0 million, respectively, while direct operating expenses for the same period were between \$17.1 - \$18.9 million and \$28.0 - \$30.9 million, respectively. Preliminary leasehold operating statements provided to us by Forest indicate that these properties revenues for the year ended December 31, 2008 were between \$181.7 - \$200.8 million while direct operating expenses for the same period were between \$35.2 - \$39.0 million.

The foregoing preliminary revenue and direct operating expense estimates were provided by Forest, are unaudited, and have not been reviewed by our independent accountants, PricewaterhouseCoopers LLP. We cannot assure you that these preliminary estimates are accurate.

Issuance of 6.0% Convertible Perpetual Preferred Stock

On November 30, 2009, we entered into an agreement to issue and sell 2,000,000 shares of our 6.0% convertible perpetual preferred stock, par value \$0.001 per share and liquidation preference of \$100 per share (the "6.0% Convertible Preferred Stock"), to Fairfax Financial Holdings Limited in a private placement exempt from registration under the Securities Act. The closing of the private placement of the 6.0% Convertible Preferred Stock is not conditioned on the consummation of this offering and is expected to occur on or about the same time as the closing of the Permian Basin Acquisition. We expect to receive net proceeds of approximately \$200 million from the issuance of the 6.0% Convertible Preferred Stock.

Each share of 6.0% Convertible Preferred Stock will be convertible at any time on or after February 1, 2010 at the option of the holder into a number of shares of our common stock equal to the liquidation preference of \$100 divided by the conversion price, which is initially \$10.856 per share, subject to adjustments in certain circumstances. This results in an initial conversion rate of approximately 9.2115 shares of common stock per share of 6.0% Convertible Preferred Stock. Based on the initial conversion price, approximately 18,422,992 shares of common stock would be issuable upon conversion of all of the shares of 6.0% Convertible Preferred Stock to be issued in the private placement.

Table of Contents

On the fifth anniversary of the issuance date, all outstanding shares of 6.0% Convertible Preferred Stock will be converted automatically into common stock at the then prevailing conversion price if all dividends are current as of such date. If there are accumulated dividends on the fifth anniversary of the issuance date that have not been paid, the 6.0% Convertible Preferred Stock will not automatically convert into common stock until the accumulated dividends are paid.

The annual dividend on each share of 6.0% Convertible Preferred Stock will be \$6.00 and will be payable semiannually, in arrears, on each January 15 and July 15, commencing on July 15, 2010, when, as and if declared by the Company's board of directors. The Company may, at its option, pay dividends in cash, common stock or any combination thereof.

Except as required by law or the Company's Certificate of Incorporation, holders of the 6.0% Convertible Preferred Stock will have no voting rights unless dividends fall into arrears for three semiannual periods. Until such arrearage is paid in full, the holders will be entitled to elect two directors and the number of directors on the Company's board of directors will increase by that same number.

We cannot assure you, however, that the 6.0% Convertible Preferred Stock private placement will close on these terms, on a timely basis or at all. This offering is not conditioned upon the closing of the 6.0% Convertible Preferred Stock private placement.

Other Recent Developments

On November 12, 2009, we announced our withdrawal from the bidding process for Crusader Energy Group Inc. (Crusader). On September 22, 2009, we entered into a Stock Purchase Agreement to purchase for a combination of cash and stock 100% of Crusader shares to be issued upon the effectiveness of its reorganization in bankruptcy proceedings in the United States Bankruptcy Court for the Northern District of Texas under Chapter 11 of the United States Bankruptcy Code. Pursuant to the terms of the Stock Purchase Agreement, we expect to receive a break-up fee of \$7 million.

Table of Contents

The Offering

Issuer	SandRidge Energy, Inc.
Shares of common stock offered by us	22,000,000 shares (25,600,000 shares if the underwriters' over-allotment option is exercised in full).
Shares of common stock offered by Mr. Ward	2,000,000 shares.
Shares of common stock outstanding following this offering ⁽¹⁾	205,494,621 shares (209,094,621 shares if the underwriters' over-allotment option is exercised in full).
Use of proceeds	The net proceeds of the sale of the shares offered by us will be used to finance a portion of the cash consideration payable in connection with the Permian Basin Acquisition. We will not receive any of the proceeds from the sale of shares by Mr. Ward. See Use of Proceeds.
Trading symbol for our common stock	Our common stock is listed on The New York Stock Exchange under the symbol SD.

(1) The number of shares of common stock to be outstanding after this offering is based on 183,494,621 shares of common stock outstanding as of November 27, 2009 and excludes 33,073,325 shares of common stock issuable upon conversion of our currently outstanding convertible preferred stock.

Risk Factors

You should carefully consider the information set forth in the section of this prospectus supplement and the accompanying prospectuses entitled Risk Factors, as well as the other information included in or incorporated by reference in this prospectus supplement before deciding whether to invest in our common stock.

Table of Contents

RISK FACTORS

An investment in our common stock involves risk. Before deciding to invest in our common stock, you should read and consider carefully the Risk Factors identified and discussed in our Annual Report on Form 10-K, as amended, for the year ended December 31, 2008 and in our Quarterly Reports on Form 10-Q for the periods ended June 30, 2009 and September 30, 2009, which are incorporated by reference in this prospectus supplement in the manner specified in the section entitled Where You Can Find More Information. These risk factors may be further updated in our subsequent periodic or current reports and incorporated herein by reference. Additionally, you should consider any additional discussion of risks and uncertainties that may be included in any other prospectus supplement or free writing prospectus we issue in connection with this offering of common stock. The risk factors we discuss in these documents are those that we currently believe may materially affect our company or the common stock. Additional risks and uncertainties not currently known to us or that we currently believe are immaterial also may materially and adversely affect our business, financial condition and results of operations, or could adversely affect the value of the common stock offered by this prospectus supplement.

USE OF PROCEEDS

We estimate that the net proceeds from this offering will be approximately \$186.2 million (or approximately \$216.8 million if the underwriters over-allotment option is exercised in full) after deducting the estimated expenses of the offering payable by us. We will not receive any of the proceeds from the sale of shares by Mr. Ward.

The net proceeds from this offering will be used to fund a portion of the cash consideration payable in connection with the Permian Basin Acquisition. The balance of the purchase price will be funded with the net proceeds of our 6.0% Convertible Preferred Stock and borrowings under our revolving credit facility. This offering is not conditioned on the closing of the Acquisition and there can be no assurance that we will complete the Acquisition. If the Acquisition is not completed, we intend to use the proceeds of this offering for general corporate purposes, which may include, among other things, funding our 2010 capital expenditures program.

Table of Contents**CAPITALIZATION**

The following table sets forth our consolidated cash and cash equivalents and our consolidated capitalization as of September 30, 2009:

on an actual basis;

on an as adjusted basis to give effect to the sale of our 6.0% Convertible Perpetual Preferred Stock described under Summary Recent Developments ; and

on an as further adjusted basis to give effect to (i) issuance of the common stock offered hereby and application of the net proceeds in connection with the Permian Basin Acquisition, (ii) payment of \$200 million in cash in connection with the Acquisition, and (iii) drawdown of \$413.8 million from our revolving credit facility in connection with the Acquisition.

You should read this table in conjunction with Use of Proceeds and our consolidated financial statements and related notes incorporated by reference in this prospectus supplement and the accompanying prospectuses. The as adjusted information may not reflect our cash, debt and capitalization in the future.

	As of September 30, 2009		
	Actual	As Adjusted	As Further Adjusted
	(in thousands, except per share amounts)		
Cash and cash equivalents	\$ 14,642	\$ 214,642	\$ 14,642
Long term debt, including current maturities:			
Revolving credit facility			413,798
Other secured long term debt	39,584	39,584	39,584
Senior Floating Rate Notes Due 2014	350,000	350,000	350,000
8.625% Senior Notes Due 2015	650,000	650,000	650,000
9.875% Senior Notes Due 2016	350,627	350,627	350,627
8.0% Senior Notes Due 2018	750,000	750,000	750,000
Total Debt	2,140,211	2,140,211	2,554,009
Stockholders equity:			
Preferred stock, \$0.001 par value; 50,000 shares authorized;			
8.5% Convertible perpetual preferred stock 2,650 issued and outstanding;			
aggregate liquidation preference of \$265,000	3	3	3
6.0% Convertible perpetual preferred stock no shares issued or outstanding			
(actual); 2,000 issued and outstanding (as adjusted and as further adjusted);			
aggregate liquidation preference of \$200,000		2	2
Common stock, \$0.001 par value; 400,000 shares authorized;			
184,986 issued and 183,524 outstanding (actual and as adjusted); 206,986 issued			
and 205,524 outstanding (as further adjusted)	178	178	200
Additional paid-in capital	2,537,690	2,737,688	2,923,868
Treasury stock, at cost	(20,427)	(20,427)	(20,427)
Accumulated deficit	(2,708,459)	(2,708,459)	(2,708,459)
Total SandRidge Energy, Inc. stockholders (deficit) equity	(191,015)	8,985	195,187

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Noncontrolling interest	30	30	30
Total capitalization	\$ 1,949,226	\$ 2,149,226	2,749,226

S-6

Table of Contents**PRICE RANGE OF COMMON STOCK**

Our common stock is traded on The New York Stock Exchange under the symbol SD. The following table sets forth the range of high and low sales prices per share of our common stock for each calendar quarter.

	Sales Price	
	High	Low
2009:		
Fourth Quarter (through December 1, 2009)	\$ 14.08	\$ 8.63
Third Quarter	15.00	7.44
Second Quarter	11.84	6.31
First Quarter	8.79	4.49
2008:		
Fourth Quarter	\$ 19.54	\$ 4.85
Third Quarter	69.41	17.46
Second Quarter	69.00	37.88
First Quarter	41.05	28.50
2007:		
Fourth Quarter (from November 6, 2007)	\$ 36.44	\$ 29.53
On December 1, 2009, the closing sale price of our common stock, as reported by The New York Stock Exchange, was \$8.99 per share. On September 30, 2009, there were approximately 242 holders of record.		

DIVIDEND POLICY

We have neither declared nor paid any cash dividends on our common stock, and we do not anticipate declaring any dividends in the foreseeable future. We expect to retain our cash for the operation and expansion of our business, including exploration, development and production activities. In addition, our revolving credit facility and certain of our indentures contain restrictions on the payment of dividends to the holders of our common stock.

Table of Contents

SELLING STOCKHOLDER

Tom L. Ward, our Chairman, Chief Executive Officer and President, is offering 2,000,000 shares of our common stock pursuant to this prospectus supplement. We refer to Mr. Ward as the selling stockholder in this prospectus supplement. The following table sets forth certain information regarding the selling stockholder's beneficial ownership of our common stock as of November 27, 2009, when there were 183,494,621 shares of our common stock outstanding as well as the selling stockholder's beneficial ownership after giving effect to this offering. The information presented below is based solely on our review of information provided by the selling stockholder.

Name of Selling Stockholder	Number of Shares of Common Stock Beneficially Owned
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