



United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Colorado State Office
2850 Youngfield Street
Lakewood, Colorado 80215-7210
www.co.blm.gov



In Reply Refer To:
3180 (CO-922)
Surprise Unit-Preliminary Expansion
COC75107X

JUN 12 2017

SandRidge Energy Exploration and Production, LLC
123 Robert S. Kerr Avenue
Oklahoma City, OK 73102

Dear Sir or Madam,

On November 21, 2016, the Bureau of Land Management (BLM), Colorado State Office, received a letter, Preliminary Application for Expansion Surprise Unit Agreement – COC75107X, from SandRidge Energy Exploration and Production, LLC.

The BLM approves the preliminary application for the expansion of the Surprise Unit to include the following described lands:

Township 7N, Range 79W, 6th P.M
Section 19: Lots2-4
Section 19: SWNE, SENW, E2SW, W2SE, SESE;

Township 7N, Range 80W, 6th P.M.
Section 14: SW, S2SE, S2NW;
Section 15: S2NE, NW, S2;
Section 22: ALL;
Section 23: ALL;
Section 24: ALL;

The lands encompass approximately 3,190.36 acres, bringing the total acreage to 27,438.44 acres of which 14,975.46 acres are Federal lands, 11,182.98 are patented lands, and 1,280.00 acres are state lands. The BLM acknowledges the effective date of December 1, 2016.

SandRidge Energy Exploration and Production, LLC, shall notify all involved parties whose interests are affected of the proposed change of unit area advising that 30 days will be allowed for submission to the unit operator of any objections. A copy of the notice should be submitted to the BLM Colorado State Office. The notice should specify the date on which the expansion is to be effective and include a plat clearly showing the current area and the area to be added. After the required 30 days SandRidge Energy Exploration and Production, LLC, shall file an

application in quadruplicate with the BLM requesting final approval of the expansion. The application should summarize the procedures followed and show that all requirements prescribed in the unit agreement have been fulfilled. The application must include a statement that all principals were provided proper notice, with a copy of any objections that were received the SandRidge Energy Exploration and Production, LLC, and a copy of the notice indicating the proposed date. Joinders to the unit agreement and, when appropriate, to the unit operating agreement must accompany the request. Joinders must be submitted by the owners of interests within the area being added. Copies of any objections to the proposed expansion should be submitted with the request for final approval, along with the operator's reply and/or discussion of the relative merits of the objection received.

If you have any questions concerning this expansion, contact Jessica Cedillo, Land Law Examiner, at (303) 239-3767.

Sincerely,



Peter Cowan
Acting Chief, Branch of Fluid Minerals
Division of Energy, Lands, and Minerals

Attachments:

Exhibit A (p 1)

Exhibit B (pp 2)

R 80 W

R 79 W

T 7 N

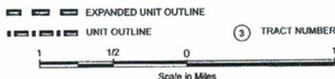
T 7 N

T 6 N

T 6 N

R 80 W

| | ACREAGE | EXPANDED ACREAGE | TOTAL ACREAGE | PERCENTAGE |
|----------------|------------------|------------------|------------------|----------------|
| FEDERAL LANDS | 12,775.46 | 2,200.00 | 14,975.46 | 54.58% |
| STATE LANDS | 1,280.00 | 0.00 | 1,280.00 | 4.66% |
| PATENTED LANDS | 10,192.62 | 990.36 | 11,182.98 | 40.76% |
| TOTALS | 24,248.08 | 3,190.36 | 27,438.44 | 100.00% |



NOTE: UNLESS OTHERWISE NOTED HEREIN THE SECTIONS ON THIS PLAT CONTAIN 640.00 ACRES

EXHIBIT "A"

SURPRISE UNIT AREA
JACKSON COUNTY, COLORADO

SANDRIDGE EXPLORATION AND PRODUCTION, LLC
OKLAHOMA CITY, OKLAHOMA 11-14-2016

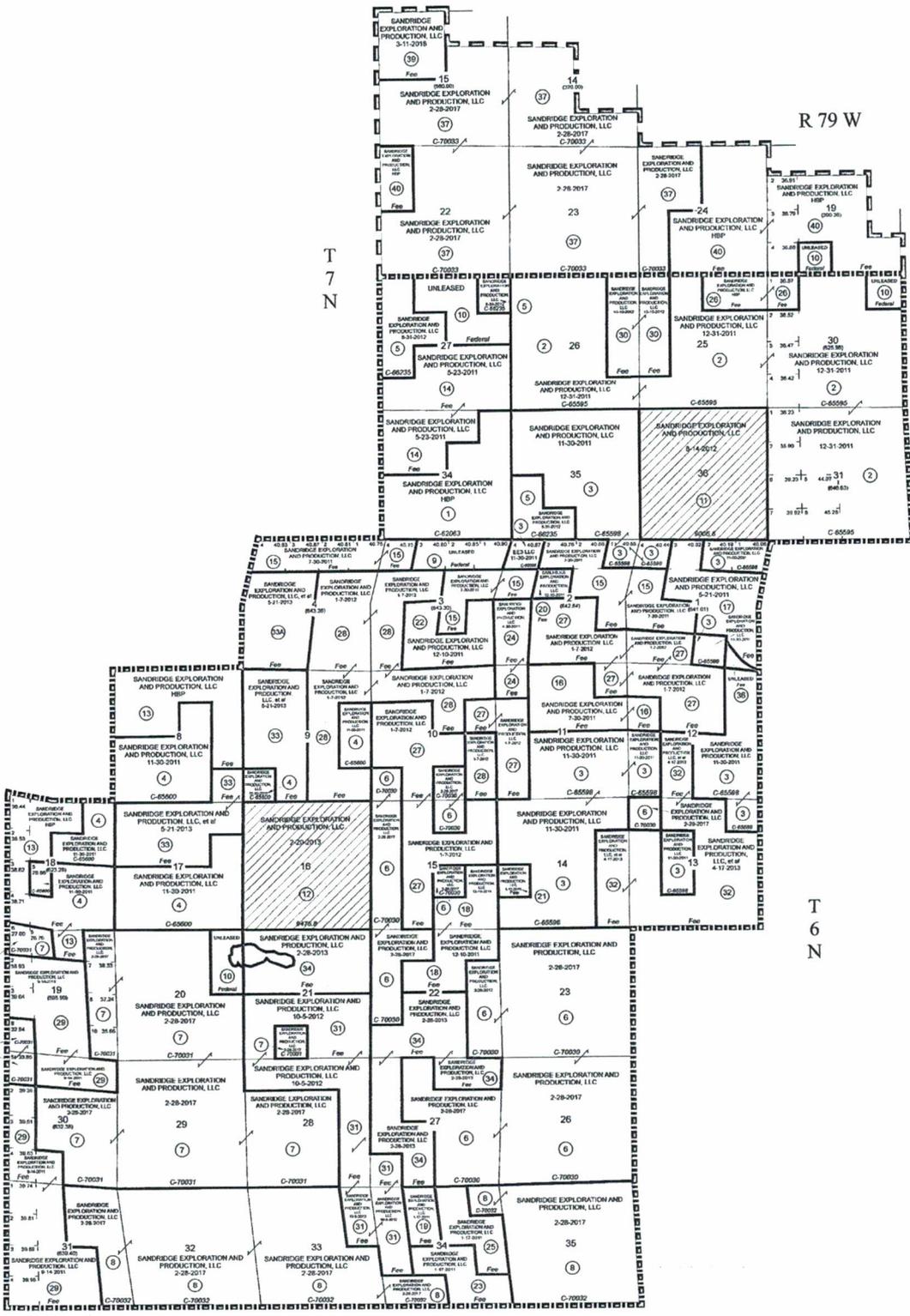


EXHIBIT "B"
SCHEDULE SHOWING THE PERCENTAGE AND KIND OF OWNERSHIP OF OIL AND GAS INTERESTS
SURPRISE UNIT AREA
JACKSON COUNTY, COLORADO

1ST EXPANSION

11-10-2016

| TRACT NO. | DESCRIPTION OF LAND | NUMBER OF ACRES | SERIAL NUMBER & EXPIRATION DATE OF LEASE | BASIC ROYALTY AND PERCENTAGE | LESSEE OF RECORD AND PERCENTAGE | OVERRIDING ROYALTY AND PERCENTAGE | WORKING INTEREST AND PERCENTAGE |
|-----------------------|---|-----------------|--|------------------------------|---|--|--|
| <u>FEDERAL LANDS:</u> | | | | | | | |
| 37. | <u>T7N-R80W 6TH P.M.</u> Sec. 14: S/2NW/4, SW/4, S/2SE/4 Sec. 15: S/2NE/4, S/2 Sec. 22: E/2, E/2W/2, W/2SW/4 Sec. 23: All Sec. 24: NW/4, W/2SW/4 | 2,160.00 | C-70033 Effective 3-1-2007 Expires 2-28-2017 | U.S.A. - All (12.5% royalty) | SandRidge Exploration and Production, LLC | 100.00% Craig Settle 4.0000% | SandRidge Exploration and Production, LLC 100.00% |
| 38. | <u>T7N-R79W 6TH P.M.</u> Sec. 19: SE/4SW/4 | 40.00 | Unleased | U.S.A. - All (12.5% royalty) | Unleased | 100.00% None | Unleased 100.00% |
| 2 | FEDERAL TRACTS | TOTALING | 2,200.00 | ACRES | OR | 68.96% | OF UNIT AREA |

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 CO STATE OFFICE

PATENTED LANDS:

| | | | | | | | | |
|-----|---|--------|-----------|--|-----------|---|---------------------|--|
| 39. | <u>T7N-R80W 6TH P.M.</u> Sec. 15: NW/4 | 160.00 | 3-11-2018 | Monty D. Wilson Jr. and Ellen T. Wilson, Ttees Wilson Joint Revocable Living Trust | 100.0000% | SandRidge Exploration and Production, LLC | 100.00% None | SandRidge Exploration and Production, LLC 100.00% |
|-----|---|--------|-----------|--|-----------|---|---------------------|--|

| TRACT NO. | DESCRIPTION OF LAND | NUMBER OF ACRES | SERIAL NUMBER & EXPIRATION DATE OF LEASE | BASIC ROYALTY AND PERCENTAGE | LESSEE OF RECORD AND PERCENTAGE | OVERRIDING ROYALTY AND PERCENTAGE | WORKING INTEREST AND PERCENTAGE | | |
|-----------|---|-----------------|--|--------------------------------------|---------------------------------|--|---------------------------------|--|--|
| 40. | T7N-R79W 6TH P.M. Sec. 19: Lots 2, 3, 4, SE/4NW/4, SW/4NE/4, W/2SE/4, SE/4SE/4, NE/4SW/4 T7N-R80W 6TH P.M. Sec. 22: W/2NW/4 Sec. 24: E/2, E/2SW/4 | 830.36 | HBP | Blaine L. Evans and Judy L. Evans | 100.0000% | SandRidge Exploration and Production, LLC | 100.00% | Paul B. Melnychenko 0.94% Jeffery M. Llewellyn 0.75% Tab McGinley 0.38% Red Sandy Royalty, LLC 0.31% Baby Doe Resources, Inc. 0.25% Roger I. Gilbertson 0.21% Jeffrey C. Collins 0.21% Michael C. Huseby 0.21% Chris Besler 0.19% Kramco Oil Properties, LLC 0.19% ALP Energy, LLC 0.19% Pikes Peak Resources, LLC 0.19% TOTAL 4.02% | SandRidge Exploration and Production, LLC 100.00% |

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 COUNTY OFFICE

| | | | | | | | | | |
|---|-----------------|----------|--------|-------|----|--------|----|------|------|
| 2 | PATENTED TRACTS | TOTALING | 990.36 | ACRES | OR | 31.04% | OF | UNIT | AREA |
|---|-----------------|----------|--------|-------|----|--------|----|------|------|

| | | | | | | | |
|---|--------|----------|----------|-------|----|------|------|
| 4 | TRACTS | TOTALING | 3,190.36 | ACRES | IN | UNIT | AREA |
|---|--------|----------|----------|-------|----|------|------|