ASSIGNMENT
AND
NOTICE AND ACKNOWLEDGEMENT OF ASSIGNMENT

This ASSIGNMENT AND NOTICE AND ACKNOWLEDGEMENT OF ASSIGNMENT (this "Assignment") is entered into by and among SANDRIDGE ENERGY, INC., on behalf of itself and its wholly-owned subsidiaries SANDRIDGE MIDSTREAM, INC. and SANDRIDGE EXPLORATION AND PRODUCTION, LLC, Texas Taxpayer Identification Number 12080847937 ("Assignor"), PIÑON GATHERING COMPANY, LLC, Texas Taxpayer Identification Number 32039816593 ("Assignee"), and FORT STOCKTON INDEPENDENT SCHOOL DISTRICT (the "District"), effective as of the 30th day of June, 2009 (the "Effective Date"). Assignor, Assignee, and the District are hereinafter sometimes referred to individually as a "Party" and collectively as the "Parties." Capitalized terms used in this Assignment and not otherwise defined in this Assignment shall have the meanings ascribed to them in the Agreement (as hereinafter defined).

WHEREAS, Assignor and the District are parties to that certain Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes dated December 22, 2008 (the "Agreement"), a copy of which is attached hereto as Exhibit A;

WHEREAS, the Agreement provides for certain limits on the ad valorem tax valuation of improvements made to, and tangible personal property in or on (such improvements and tangible personal property being collectively referred to and defined in the Agreement as the "Applicant's Qualified Investment"), real property located within an area designated as a reinvestment zone by the District under Section 312.0025 of the Texas Tax Code (the "Tax Code") (such real property being collectively referred to and defined in the Agreement as the "Applicant's Qualified Property");

WHEREAS, Assignee has acquired a portion of the Applicant's Qualified Investment and the Applicant's Qualified Property, such portion (the "Grey Ranch Property") being described in Exhibit B attached hereto;

WHEREAS, after the Effective Date, Assignor may construct and/or install system expansions as a part of the Applicant's Qualified Investment and such system expansions may be transferred by Assignor to Assignee (all such system expansions transferred by Assignor to Assignee being collectively referred to herein as the "System Expansions");

WHEREAS, to the extent provided herein, Assignor wishes to assign its rights and responsibilities under the Agreement, to the extent applicable to the Grey Ranch Property and the System Expansions (collectively, the "Assigned Property"), to Assignee;

WHEREAS, Assignor wishes to retain its rights and responsibilities under the Agreement (i) to the extent applicable to all of the Applicant's Qualified Investment and the Applicant's Qualified Property other than the Assigned Property (the "Retained Property"), and (ii) to the extent provided herein with respect to the Assigned Property;

WHEREAS, Section 8.4 of the Agreement provides that Assignor may assign its rights and responsibilities under the Agreement, or a portion of the Agreement, to a new owner or lessee of all or a portion of the Applicant's Qualified Property and/or Applicant's Qualified Investment by giving written notice of such assignment to the District and that upon such assignment, the Assignor's assignee will be liable to the District for outstanding taxes or other obligations arising under the Agreement;

WHEREAS, no default exists under the Agreement, and Assignor is not delinquent in the payment of taxes owed to the District;

WHEREAS, the District wishes to acknowledge receipt of notice of this Assignment; and

WHEREAS, the parties intend that the responsibilities of Assignor under the Agreement shall, following this Assignment, be performed and satisfied by Assignor and Assignee collectively, and on a cumulative basis, as more fully provided for herein;

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants and conditions stated herein, the receipt and adequacy of which is hereby acknowledged, the parties hereto agree as follows:

1. To the extent provided in this Assignment, Assignor does hereby assign, transfer, set over and convey unto to Assignee all right, title and interest of Assignor in and to the Agreement, to the extent applicable to the Assigned Property, to have and to hold the same unto Assignee, its successors and assigns, and Assignee hereby accepts such assignment.

2. To the extent provided in this Assignment, Assignee does hereby assume, and agrees to perform and discharge, all of the responsibilities of Assignor under the Agreement, to the extent applicable to the Assigned Property.

3. On and after the Effective Date, Assignor shall have those rights and responsibilities under the Agreement (i) that Assignor would have if Assignor (as Applicant) and the District were the sole parties to the Agreement, and if the Applicant's Qualified Property and the Applicant's Qualified Investment consisted solely of the Retained Property, and (ii) with respect to the Assigned Property as are retained by Assignor as provided herein.

4. On and after the Effective Date, Assignee shall have those rights and responsibilities under the Agreement that Assignee would have if Assignee (as Applicant) and the District were the sole parties to the Agreement, and if the Applicant's Qualified Property and the Applicant's Qualified Investment consisted solely of the Assigned Property, except to the extent such rights and responsibilities are retained by Assignor as provided herein.

5. The District hereby acknowledges (i) receipt of notice of this Assignment and the terms and provisions hereof, and (ii) that as of the Effective Date and the date of execution of this Assignment, (A) no default exists under the Agreement, (B) Assignor is not delinquent in the payment of taxes owed to the District, and (C) the Agreement is in full force and effect.

6. (a) Under the Agreement, the Tax Limitation Amount is the lesser of (i) the Market Value of the Applicant's Qualified Investment, and (ii) Twenty Million Dollars ($20,000,000).

(b) For each of the eight (8) Tax Years 2011, 2012, 2013, 2014, 2015, 2016, 2017, and 2018, the Tax Limitation Amount shall be allocated and applied to the Retained Property and the Assigned Property as follows:

(i) if each of the Appraised Value and the Market Value of the Retained Property is equal to or greater than $20,000,000, then the entirety of the Tax Limitation Amount shall be allocated to, and applied towards, the Appraised Value of the Retained Property with the result that the District's maintenance and operations ad valorem taxes imposed with respect the Tax Limitation Amount shall be imposed solely with respect to an amount of the Appraised Value of the Retained Property equal to the Tax Limitation Amount; and

(ii) if either:

(A) the Market Value of the entirety of the Applicant's Qualified Investment is equal to or greater than $20,000,000, but the Appraised Value of the Retained Property is less than $20,000,000, or

(B) the Market Value of the entirety of the Applicant's Qualified Investment is less than $20,000,000,

then the Tax Limitation Amount shall first be allocated to, and applied towards, the Appraised Value of the Retained Property (with the result that the District's maintenance and operations ad valorem taxes shall be imposed with respect to the entirety of the Appraised Value of the Retained Property), and the portion of the Tax Limitation Amount (if any) remaining after reduction for such allocation and application to the Retained Property shall be allocated to, and applied towards, the Appraised Value of the Assigned Property (with the result that the District's maintenance and operations ad valorem taxes shall be imposed with respect to an amount of the Appraised Value of the Assigned Property equal to such remaining portion of the Tax Limitation Amount).

7. The Parties agree that by cumulatively meeting the "new jobs," "Qualified Jobs," "Maintain Viable Presence," and other minimum eligibility requirements imposed by Charter 313 of the Tax Code and the Agreement, Assignee and Assignor shall both be treated as having met these requirements under the Agreement. Assignee and Assignor will cooperate to ensure (i) that the aggregate number and quality of jobs, and the "Maintain Viable Presence" and other minimum eligibility requirements, are maintained and satisfied, (ii) that data relevant to such requirements is properly transmitted to the District and the Comptroller on a timely basis, and (iii) that the requirements of Sections 7.1 and 7.2 are satisfied in a timely manner. Assignee and Assignor will provide each other with prompt notice of any development that could jeopardize their ability to cumulatively meet the "new jobs," "Qualified Jobs," "Maintain Viable Presence," and/or other minimum eligibility requirements.

8. The Parties do not intend this Assignment to increase, decrease, or otherwise impact the cumulative amounts to be received by the District pursuant to Articles III and IV of the Agreement. Calculations of any amounts to be received by the District pursuant to Article III and/or IV of the Agreement (including calculations of any limitations provided for in Section 5.1 of the Agreement) shall be made on a cumulative basis, with the Applicant's Qualified Property and the Applicant's Qualified Investment for purposes of such calculations consisting of both the Retained Property and the Assigned Property. Calculations prepared by the Third Party, as described in Sections 3.4, 3.5, and 3.6 of the Agreement, shall be provided to both Assignor and Assignee. Except as otherwise provided in Section 9 below, Assignor shall be solely liable and responsible for (i) any payment due to the District under Articles III and IV of the Agreement regardless of whether any such payment is attributable to the Retained Property, the Assigned Property, or both, and (ii) and any payment due to the Third Party under Section 3.7 of the Agreement. Assignor shall be solely entitled to receive and retain any payment due from the District under Section 4.3 of the Agreement regardless of whether any such payment is attributable to the Retained Property, the Assigned Property, or both.

9. Each of Assignor and Assignee shall indemnify the District, on an annual basis, for that portion of the unreimbursed tax credits pursuant to Subsection *i* of Section 3.3 and Section 6.3 of the Agreement that corresponds to the amount of such unreimbursed tax credits utilized by Assignor and Assignee, respectively.

10. Assignor shall have the exclusive right, on behalf of itself and Assignee, to exercise any option to cancel and terminate the Agreement pursuant to Section 5.2 of the Agreement, in which event the Agreement shall be cancelled and terminated as to both Assignor and Assignee. Assignee shall have no right to exercise any such option.

11. For purposes of Sections 7.4 through 7.8 of the Agreement, the failure of Assignee to comply with the terms of the Agreement shall not result in a breach by Assignor, and a breach by Assignee but not Assignor shall give the District the right to pursue the remedies for breach under Sections 7.4 through 7.8 of the Agreement against Assignee but not against Assignor. Should the Agreement be terminated with respect to Assignee, the Agreement shall continue with respect to Assignor, with Assignor having those rights and responsibilities under the Agreement that Assignor would have if Assignor (as Applicant) and the District were the sole parties to the Agreement, and if the Applicant's Qualified Property and the Applicant's Qualified Investment consisted solely of the Retained Property.

12. For purposes of Article VII of the Agreement, and notwithstanding anything contained in this Assignment or the Agreement to the contrary, the failure of either Assignor or Assignee, but not both, to comply with the terms of the Agreement shall not result in a breach by the complying party, and a breach by one party but not the other shall give the District the right to pursue the remedies for breach under Article VII of the Agreement against the breaching party but not against the nonbreaching party. Should the Agreement be terminated with respect to the breaching party, and notwithstanding anything contained in this Assignment or the Agreement to the contrary, the Agreement shall continue with respect to the nonbreaching party, with the nonbreaching party having those rights and responsibilities under the Agreement that the nonbreaching party would have if (i) the nonbreaching party (as the Applicant) and the District were the sole parties to the Agreement, and (ii) the Applicant's Qualified Property and the

Applicant's Qualified Investment consisted solely of the Retained Property (should Assignor be the nonbreaching party) or the Assigned Property (should Assignee be the nonbreaching party).

13. For purposes of Section 8.1 of the Agreement, notices to Assignee shall be sent to:

Piñon Gathering Company, LLC
c/o TCW Asset Management Company
333 Clay Street, Suite 4150
Houston, Texas 77002
Attention: Clay Taylor
Fax: (713) 615-7460

with a copy to:

TCW Asset Management Company
865 South Figueroa Street, Suite 1800
Los Angeles, California 90017
Attention: R. Blair Thomas
Fax Number: (213) 244-0604

14. The provisions of this Assignment shall be binding upon and shall inure to the benefit of the parties and their respective successors and assigns.

15. If any provision under this Assignment shall be invalid, illegal, or unenforceable, it shall not affect or impair the validity, legality and enforceability of any other provision of this Assignment.

16. This Assignment shall be governed by and interpreted in accordance with the laws of the State of Texas without giving effect to principles thereof relating conflicts of law or rules that would direct the application of the laws of another jurisdiction.

17. This Assignment may be executed in one or more counterparts, each of which shall be deemed an original, and all of which, taken together, shall constitute but one and the same instrument, which may be sufficiently evidenced by one counterpart.

IN WITNESS WHEREOF, the parties hereto have caused this Assignment to be executed effective as of the date first set forth above.

ASSIGNOR:

SANDRIDGE ENERGY, INC.

By: _____
Name: MATT GRUBB
Title: COO

ASSIGNEE:

PIÑON GATHERING COMPANY, LLC

By: _____
Name: Clayton R. Taylor
Title: Vice President

DISTRICT:

FORT STOCKTON INDEPENDENT
SCHOOL DISTRICT

By: _____
Ken Ripley
President
Board of Trustees

Attest

By: _____
Sandra Marquez
Secretary
Board of Trustees

Exhibit A

Attached copy of Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes dated December 22, 2008, by and between Fort Stockton Independent School District and SandRidge Energy, Inc. (referred to in this Assignment as the "Agreement")

AGREEMENT FOR LIMITATION ON APPRAISED VALUE OF PROPERTY FOR SCHOOL DISTRICT MAINTENANCE AND OPERATIONS TAXES

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by and between

FORT STOCKTON INDEPENDENT SCHOOL DISTRICT

and

SANDRIDGE ENERGY, INC.

(Texas Taxpayer ID # 12080847937)

Dated

December 22, 2008

Tax limitation to be effective

January 1, 2009

AGREEMENT FOR LIMITATION ON APPRAISED VALUE OF PROPERTY FOR SCHOOL DISTRICT MAINTENANCE AND OPERATIONS TAXES

STATE OF TEXAS §

COUNTY OF PECOS §

THIS AGREEMENT FOR LIMITATION ON APPRAISED VALUE OF PROPERTY FOR SCHOOL DISTRICT MAINTENANCE AND OPERATIONS TAXES, hereinafter referred to as this "Agreement," is executed and delivered by and between **FORT STOCKTON INDEPENDENT SCHOOL DISTRICT**, hereinafter referred to as the "District," a lawfully created independent school district within the State of Texas operating under and subject to the Texas Education Code, and **SANDRIDGE ENERGY, INC., TEXAS TAXPAYER IDENTIFICATION NUMBER 12080847937, ON BEHALF OF ITSELF AND ITS WHOLLY OWNED SUBSIDIARIES SANDRIDGE MIDSTREAM, INC. AND SANDRIDGE EXPLORATION AND PRODUCTION, LLC**, hereinafter referred to as the "Applicant." The Applicant and the District are hereinafter sometimes referred to individually as a "Party" and collectively as the "Parties." Certain capitalized and other terms used in this Agreement shall have the meanings ascribed to them in Section 1.3.

RECITALS

WHEREAS, on September 2, 2008, the Superintendent of Schools of the Fort Stockton Independent School District, acting as agent of the Board of Trustees of the District (the "Board of Trustees"), received from the Applicant an Application for Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code; and,

WHEREAS, on November 20, 2008 the Superintendent of Schools of the Fort Stockton Independent School District received an Amended Application from the Applicant correcting the NAICS code to the correct code of 325120 Industrial Gas Manufacturing (which, together with the Original Application filed September 2, 2008, will be hereinafter collectively referred to as the "Application"); and,

WHEREAS, the Board of Trustees has acknowledged receipt of the Application along with the requisite application fee, as established pursuant to Texas Tax Code § 313.025(a)(1) and Local District Policy CCG (Local); and,

WHEREAS, the Application was delivered to the Texas Comptroller's Office for review pursuant to Texas Tax Code § 313.025(d) and, on November 24, 2008, the Comptroller's Office issued a recommendation that the Limitation on Appraised Value not be approved; and,

WHEREAS, the Texas Comptroller of Public Accounts conducted an economic impact evaluation pursuant to Chapter 313 of the Texas Tax Code, which was delivered to the District on December 15, 2008, three weeks after the Comptroller's recommendation was issued; and,

WHEREAS, the District engaged Texas Perspectives, Inc. as a consultant to perform an additional economic impact study in accordance with the criteria set forth in Tex. Tax Code §313.026; and,

WHEREAS, the Board of Trustees has reviewed the two economic impact evaluations, prepared respectively by the Comptroller's Office and Texas Perspectives, Inc, pursuant to Texas Tax Code § 313.026 and has carefully considered both evaluations; and,

WHEREAS, the Board of Trustees has reviewed a legal opinion submitted by its Counsel, concerning the legal requirements applicable to the consideration of the Applications and has carefully considered such legal opinion; and,

WHEREAS, the Application was reviewed by the Pecos County Appraisal District established in Pecos County, Texas, pursuant to Texas Tax Code § 6.01; and,

WHEREAS, on November 24, 2008, and again on December 22, 2008, the Board of Trustees conducted a public hearing on the Application at which it solicited input into its deliberations on the Application from all interested parties within the District; and,

WHEREAS, on December 22, 2008, the Board of Trustees made factual findings pursuant to Texas Tax Code § 313.025(f), including, but not limited to, findings that: (i) the information in the Application is true and correct; (ii) the project is correctly categorized as NAICS Code 325120, Industrial Gas Manufacturing; (iii) the Applicant's Qualified Property is used either as an integral part, or as a necessary auxiliary part, in manufacturing; (iv) in the absence of a value limitation agreement pursuant to Chapter 313 of the Texas Tax Code, the Applicant is unlikely to construct the facilities proposed in the Application within the District; (v) this Agreement is in the best interest of the District and the State of Texas; (vi) the Applicant is eligible for the Limitation on Appraised Value of the Applicant's Qualified Property; and, (vii) each criterion listed in Texas Tax Code § 313.025(e) has been met; and,

WHEREAS, on December 22, 2008, the Board of Trustees determined that the Tax Limitation Amount requested by Applicant, and as defined in Sections 1.2 and 1.3, below, is consistent with the minimum values set out by Tax Code, §§ 313.022(b) and 313.052, as such Tax Limitation Amount was computed for the effective date of this Agreement; and,

WHEREAS, on December 22, 2008, the Board of Trustees approved this Agreement for a Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes, and authorized the Board President and Secretary to execute and deliver such Agreement to the Applicant in accordance with Chapter 313 of the Texas Tax Code;

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants and agreements herein contained, the Parties agree as follows:

ARTICLE I

AUTHORITY, TERM, DEFINITIONS, AND GENERAL PROVISIONS

Section 1.1. AUTHORITY

This Agreement is executed by the District as its written agreement with the Applicant pursuant to the provisions and authority granted to the District in Texas Tax Code § 313.027.

Section 1.2. Term of the Agreement

This Agreement shall commence and first become effective for the ad valorem property valuations of the Qualified Property and Qualified Investments made pursuant to this Agreement beginning with the tax appraisals to be made as of January 1, 2009, which date is referred to herein as the "Commencement Date." The Parties acknowledge that the limitation on the local ad valorem property values shall not commence until the valuations are made as of January 1, 2011, the second anniversary of the Commencement Date. These first two Tax Years that begin on the Commencement Date (*i.e.*, the 2009 and 2010 Tax Years) are referred to herein as the "Qualifying Time Period," as that term is defined in Texas Tax Code § 313.021(4). Unless sooner terminated as provided herein, the limitation on the local ad valorem property values shall terminate on December 31, 2018. Except as otherwise provided herein, this Agreement will terminate, in full, on December 31, 2021. The termination of this Agreement shall not (i) release any obligations, liabilities, rights and remedies arising out of any breach of, or failure to comply with, this Agreement occurring prior to such termination, or (ii) affect the right of a Party to enforce the payment of any amount to which such Party was entitled before such termination or to which such Party became entitled as a result of an event that occurred before such termination, so long as the right to such payment survives said termination.

Except as otherwise provided herein, the Tax Years for which this Agreement is effective are as set forth below and set forth opposite each such Tax Year are the corresponding year in the term of this Agreement, the date of the Appraised Value determination for such Tax Year, and a summary description of certain provisions of this Agreement corresponding to such Tax Year (it being understood and agreed that such summary descriptions are for reference purposes only, and shall not affect in any way the meaning or interpretation of this Agreement):

Year of Agreement	Date of Appraisal	School Year	Tax Year	Summary Description of Provisions
1	January 1, 2009	2009-10	2009	No limitation on value. Tax credit in future years.

Year of Agreement	Date of Appraisal	School Year	Tax Year	Summary Description of Provisions
2	January 1, 2010	2010-11	2010	No limitation on value. Tax credit in future years.
3	January 1, 2011	2011-12	2011	$ 20 million property value limitation.
4	January 1, 2012	2012-13	2012	$ 20 million property value limitation. Possible tax credit due to Applicant.
5	January 1, 2013	2013-14	2013	$ 20 million property value limitation. Possible tax credit due to Applicant.
6	January 1, 2014	2014-15	2014	$ 20 million property value limitation. Possible tax credit due to Applicant.
7	January 1, 2015	2015-16	2015	$ 20 million property value limitation. Possible tax credit due to Applicant.
8	January 1, 2016	2016-17	2016	$ 20 million property value limitation. Possible tax credit due to Applicant.
9	January 1, 2017	2017-18	2017	$ 20 million property value limitation. Possible tax credit due to Applicant.
10	January 1, 2018	2018-19	2018	$ 20 million property value limitation. Possible tax credit due to Applicant.
11	January 1, 2019	2019-20	2019	No tax limitation. Possible tax credit due to Applicant. Applicant obligated to Maintain Viable Presence if no early termination.

Year of Agreement	Date of Appraisal	School Year	Tax Year	Summary Description of Provisions
12	January 1, 2020	2020-21	2020	No tax limitation. Possible tax credit due to Applicant. Applicant obligated to Maintain Viable Presence if no early termination.
13	January 1, 2021	2021-22	2021	No tax limitation. Possible tax credit due to Applicant. Applicant obligated to Maintain Viable Presence if no early termination.

Section 1.3. DEFINITIONS

Wherever used herein, the following terms shall have the following meanings, unless the context in which used clearly indicates another meaning, to-wit:

"*Act*" means the Texas Economic Development Act set forth in Chapter 313 of the Texas Tax Code, as amended.

"*Affiliate*" means any entity that directly or indirectly through one or more intermediaries, controls or is controlled by or is under common control with the Applicant. For purposes of this definition, control of an entity means (i) the ownership, directly or indirectly, of fifty (50) percent or more of the voting rights in a company or other legal entity or (ii) the right to direct the management or operation of such entity whether by ownership (directly or indirectly) of securities, by contract or otherwise.

"*Affiliated Group*" means a group of one or more entities in which a controlling interest is owned by a common owner or owners, either corporate or non-corporate, or by one or more of the member entities.

"*Agreement*" means this Agreement, as the same may be modified, amended, restated, amended and restated, or supplemented from time to time in accordance with Section 6.3.

"*Applicant*" means SandRidge Energy, Inc., on behalf of itself and its wholly owned subsidiaries SandRidge Midstream, Inc. and SandRidge Exploration and Production, LLC, *(Texas Taxpayer ID # 12080847937)*, the company listed in the Preamble of this Agreement who, on September 2, 2008, filed the Original Application and on November 20, 2008 filed the Amended Application with the District for an Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code. The term shall also include the Applicant's assigns and successors-in-interest.

"*Applicant's Qualified Investment*" shall have the meaning assigned to such term in Section 2.3.

"*Applicant's Qualified Property*" shall mean the Land and other Qualified Property located on the Land.

"*Appraised Value*" shall have the meaning assigned to such term in Section 1.04(8) of the Texas Tax Code.

"*Applicable School Finance Law*" means Chapters 41 and 42 of the Texas Education Code, the Texas Economic Development Act (Chapter 313 of the Texas Tax Code), Chapter 403, Subchapter M, of the Texas Government Code applicable to the District, and the Constitution and general laws of the State applicable to the independent school districts of the State, including specifically, the applicable rules and regulations of the agencies of the State having jurisdiction over any matters relating to the public school systems and school districts of the State, and judicial decisions construing or interpreting any of the above. The term also includes any amendments or successor statutes that may be adopted in the future that could impact or alter the calculation of the Applicant's ad valorem tax obligation to the District, either with or without the limitation of property values made pursuant to this Agreement.

"*Application*" means collectively the Application for Appraised Value Limitation on Qualified Property (Chapter 313, Subchapter B or C, of the Texas Tax Code) filed with the District by the Applicant on September 2, 2008, together with the Amended Application filed on November 20, 2008.

"*Appraisal District*" means the Pecos County Appraisal District.

"*Comptroller*" means the Texas Comptroller of Public Accounts.

"*Comptroller's Rules*" means the applicable rules and regulations of the Comptroller set forth at Chapter 34 Texas Administrative Code, together with any court or administrative decisions interpreting same.

"*County*" means Pecos County, Texas.

"*District*" or "*School District*" means the Fort Stockton Independent School District, being a duly authorized and operating independent school district in the State, having the power to levy, assess, and collect ad valorem taxes within its boundaries and to which Subchapter C of the Act applies. The term also includes any successor independent school district or other successor governmental authority having the power to levy and collect ad valorem taxes for school purposes on the Applicant's Qualified Property or the Applicant's Qualified Investment.

"*First Placed in Service*" for purposes of this Agreement means when the facility will have completed critical pre-operational testing, and or commenced daily or regular operations as a complete and integrated operating unit.

"*Force Majeure*" means a failure caused by (a) provisions of law, or the operation or effect of rules, regulations or orders promulgated by any governmental authority having jurisdiction over the Applicant, the Applicant's Qualified Property or the Applicant's Qualified Investment or any upstream, intermediate or downstream equipment or support facilities as are necessary to the operation of the Applicant's Qualified Property or the Applicant's Qualified Investment; (b) any demand or requisition, arrest, order, request, directive, restraint or requirement of any government or governmental agency whether federal, state, military, local or otherwise; (c) the action, judgment or decree of any court; (d) floods, storms, hurricanes, evacuation due to threats of hurricanes, lightning, earthquakes, washouts, high water, fires, acts of God or public enemies, wars (declared or undeclared), blockades, epidemics, riots or civil disturbances, insurrections, strikes, labor disputes (it being understood that nothing contained in this Agreement shall require the Applicant to settle any such strike or labor dispute), explosions, breakdown or failure of plant, machinery, equipment, lines of pipe or electric power lines (or unplanned or forced outages or shutdowns of the foregoing for inspections, repairs or maintenance), inability to obtain, renew or extend franchises, licenses or permits, loss, interruption, curtailment or failure to obtain electricity, gas, steam, water, wastewater disposal, waste disposal or other utilities or utility services, inability to obtain or failure of suppliers to deliver equipment, parts or material, or inability of the Applicant to ship or failure of carriers to transport electricity from the Applicant's facilities; or (e) any other cause (except financial), whether similar or dissimilar, over which the Applicant has no reasonable control and which forbids or prevents performance.

"*Land*" shall have the meaning assigned to such term in Section 2.2.

"*Maintain Viable Presence*" means the operation over the term of this Agreement of the facility or facilities for which the tax limitation is granted, as the same may from time to time be expanded, upgraded, improved, modified, changed, remodeled, repaired, restored, reconstructed, reconfigured, and/or reengineered and (ii) the creation over the term of this Agreement of not fewer than the number of Qualifying Jobs required by Texas Tax Code §313.051(b) to be located and performed within Applicant's entire project that includes, but is not limited to, Applicant's Qualified Property, as set forth in the Application, with the minimum salaries required by Texas Tax Code § 313.021(3)(E).

"*Maintenance and Operations Revenue*" or "*M&O Revenue*" means (i) those revenues which the District receives from the levy of its annual ad valorem maintenance and operations tax pursuant to Texas Education Code § 45.002 and Article VII § 3 of the Texas Constitution, plus (ii) all State revenues to which the District is or may be entitled under Chapter 42 of the Texas Education Code or any other statutory provision as well as any amendment or successor statute to these provisions, plus (iii) any indemnity payments received by the District under other agreements similar to this Agreement to the extent that such payments are designed to replace District M&O Revenue lost as a result of such similar agreements, less (iv) any amounts necessary to reimburse the State of Texas or another school district for the education of additional students pursuant to Chapter 41 of the Texas Education Code.

"*Market Value*" shall have the meaning assigned to such term in Section 1.04(7) of the Texas Tax Code.

"*Qualified Investment*" has the meaning set forth in Chapter 313 of the Texas Tax Code, as interpreted by the Comptroller's Rules, as these provisions existed on the date of this Agreement, applying any specific requirements for rural school districts imposed by Subchapter C of Chapter 313 of the Texas Tax Code and by the Comptroller's Rules.

"*Qualified Property*" has the meaning set forth in Chapter 313 of the Texas Tax Code, as interpreted by the Comptroller's Rules, as these provisions existed on the date of this Agreement, applying any specific requirements for rural school districts imposed by Subchapter C of Chapter 313 of the Texas Tax Code and by the Comptroller's Rules.

"*Qualifying Time Period*" means the first two Tax Years that begin on or after the date the Application is approved, as is defined in Texas Tax Code § 313.021(4)(A).

"*Revenue Protection Amount*" means the amount calculated pursuant to Section 3.2 of this Agreement.

"*State*" means the State of Texas.

"*Tax Credit*" means the tax credit, either to be paid by the District to Applicant, or to be applied against any taxes that the school district imposes in Qualified Property, as computed under the provisions of Subchapter D of the Act, and rules adopted by the Comptroller and/or the Texas Education Agency, provided that Applicant complies with the requirements under such provisions, including the timely filing of a completed application under Texas Tax Code § 313.103 and the duly adopted administrative rules.

"*Tax Limitation Amount*" means the maximum amount which may be placed as the Appraised Value on Qualified Property/Qualified Investment for years three (3) through ten (10) of this Agreement pursuant to Texas Tax Code § 313.054. That is, for each of the eight (8) Tax Years 2011, 2012, 2013, 2014, 2015, 2016, 2017, and 2018, the Appraised Value of the Applicant's Qualified Investment for the District's maintenance and operations ad valorem tax purposes shall not exceed, and the Tax Limitation Amount shall be, the lesser of:

(a) the Market Value of the Applicant's Qualified Investment; or

(b) Twenty Million Dollars ($20,000,000.00).

This Tax Limitation Amount is based on the limitation amount for the category that applies to the District on the effective date of this Agreement, as set out by Tax Code, §313.022(b) or §313.052.

"*Tax Year*" shall have the meaning assigned to such term in Section 1.04(13) of the Texas Tax Code (*i.e.*, the calendar year).

"*Taxable Value*" shall have the meaning assigned to such term in Section 1.04(10) of the Texas Tax Code.

"*Texas Education Agency Rules*" means the applicable rules and regulations adopted by the Texas Commissioner of Education in relation to the administration of Chapter 313, Texas Tax Code, which are set forth at Chapter 19, Texas Administrative Code, together with any court or administrative decisions interpreting same.

ARTICLE II

PROPERTY DESCRIPTION

Section 2.1. LOCATION WITHIN A QUALIFIED REINVESTMENT OR ENTERPRISE ZONE

The Applicant's Qualified Property upon which the Applicant's Qualified Investment will be located is within an area designated as a reinvestment zone under Chapter 311 or 312 of the Texas Tax Code, or as an enterprise zone under Chapter 2303 of the Texas Government Code. The legal description of the reinvestment or enterprise zone in which the Applicant's Qualified Property is located is attached to this Agreement as **EXHIBIT 1** and is incorporated herein by reference for all purposes.

Section 2.2. LOCATION OF QUALIFIED PROPERTY

The location of the Applicant's Qualified Property upon which the Applicant's Qualified Investment will be located is described in the legal description which is attached to this Agreement as **EXHIBIT 2** and is incorporated herein by reference for all purposes. The land described in **EXHIBIT 2** (the "Land") qualifies as Qualified Property, and the Parties expressly agree that the boundaries of the Land may not be materially changed from its configuration described in **EXHIBIT 2** without the express authorization of each of the Parties.

Section 2.3. DESCRIPTION OF QUALIFIED INVESTMENT

The Qualified Investment and/or Qualified Property that is subject to the Tax Limitation Amount is described in **EXHIBIT 3**, which is attached hereto and incorporated herein by reference for all purposes ("Applicant's Qualified Investment"). Property which is not specifically described in **EXHIBIT 3** shall not be considered by the District or the Appraisal District to be part of the Applicant's Qualified Investment for purposes of this Agreement, unless pursuant to Texas Tax Code § 313.027(e), the Board of Trustees, by official action, provides that such other property is a part of the Applicant's Qualified Investment for purposes of this Agreement.

Section 2.4. QUALIFYING USE

The Applicant's Qualified Investment described above in Section 2.3 qualifies for a tax limitation agreement under Texas Tax Code § 313.024(b)(5) as a renewable energy generation facility.

Section 2.5. APPRAISED VALUE LIMITATION

So long as Applicant makes a Qualified Investment in the amount Twenty Million Dollars ($20,000,000.00), or greater, during the Qualifying Time Period; and unless this Agreement has been terminated as provided herein before such Tax Year, for each of the eight (8) Tax Years 2011, 2012, 2013, 2014, 2015, 2016, 2017, and 2018, the Appraised Value of the Applicant's Qualified Investment for the District's maintenance and operations ad valorem tax purposes shall not exceed the lesser of:

(a) the Market Value of the Applicant's Qualified Investment; or

(b) Twenty Million Dollars ($20,000,000.00).

This Tax Limitation Amount is based on the limitation amount for the category that applies to the District on the effective date of this Agreement, as set out by Tax Code, §313.022(b) or §313.052.

ARTICLE III

PROTECTION AGAINST LOSS OF FUTURE DISTRICT REVENUES

Section 3.1. INTENT OF THE PARTIES

Subject to the limitations contained in this Agreement (including Section 5.1), it is the intent of the Parties that the District shall, in addition to the receipt of payments as set forth below in Article IV of this Agreement, be compensated by the Applicant for any loss that the District incurs in its Maintenance and Operations Revenue as a result of entering into this Agreement, after taking into account any payments to be made under this Agreement, other than payments as set forth in Article IV. Subject to the limitations contained in this Agreement (including Section 5.1), it is the intent of the Parties that the risk of any negative financial consequence to the District in making the decision to enter into this Agreement will be borne by the Applicant and not by the District.

Section 3.2. CALCULATING THE AMOUNT OF LOSS OF REVENUES BY THE DISTRICT

Subject to the provisions of Sections 5.1 and 5.2, the amount to be paid by the Applicant to compensate the District for loss of Maintenance and Operations Revenue resulting from this Agreement for each year during the term of this Agreement shall be determined in compliance with the Applicable School Finance Law in effect for such year and according to the following formula:

The M&O amount owed by the Applicant to District means the Original M&O Revenue *minus* the New M&O Revenue;

Where:

i. Original M&O Revenue means the total State and local Maintenance & Operations Revenue that the District would have received for the school year under the Applicable School Finance Law had this Agreement not been entered into by the Parties and the Qualified Property and/or Qualified Investment been subject to the ad valorem maintenance & operations tax.

ii. New M&O Revenue means the total State and local Maintenance & Operations Revenue that the District actually received for such school year.

In making the calculations required by this Section 3.2:

i. The Taxable Value of property for each school year will be determined under the Applicable School Finance Law.

ii. For purposes of this calculation, the tax collection rate on the Applicant's Qualified Property and/or the Applicant's Qualified Investment will be presumed to be one hundred percent (100%)

iii. If, for any year of this Agreement, the difference between the Original M&O Revenue and the New M&O Revenue as calculated under this Section 3.2 results in a negative number, the negative number will be considered to be zero.

iv. All calculations made for years three (3) through ten (10) of this Agreement under Section 3.2, Subsection *ii* of this Agreement will reflect the Tax Limitation Amount for such year.

v. All calculations made under this Section 3.2 shall be made by a methodology which isolates only the revenue impact caused by this Agreement. Applicant shall not be responsible to reimburse the District for other revenue losses created by other agreements or any other factors.

Section 3.3. COMPENSATION FOR LOSS OF OTHER REVENUES

In addition to the amounts determined pursuant to Section 3.2 above, and to the extent provided in Section 6.3, the Applicant, on an annual basis, shall also indemnify the District for:

i. all non-reimbursed costs it incurs in paying or otherwise crediting to the account of Applicant, any applicable tax credit to which Applicant may be entitled pursuant to Chapter 313, Subchapter D of the Texas Tax Code, and for which the District does not receive reimbursement from the State pursuant to Texas Education Code § 42.2515, or other similar or successor statute.

ii. Any loss incurred by the District which accrues to the District in the event of a successful judicial or administrative challenge to this Agreement

iii. Any attorneys' fees or other costs incurred by the District while engaged in any legal defense of this Agreement whether or not the Agreement is ultimately determined to be valid. In the event that the District intends to seek reimbursement for its attorney's fees under this Section, the District shall notify Applicant of its intent, and the Parties shall agree on the selection of counsel.

Section 3.4. CALCULATIONS TO BE MADE BY THIRD PARTY

All calculations under this Agreement shall be made annually by an independent third party (the "Third Party") jointly approved each year by the District and the Applicant. If the Parties cannot agree on the Third Party, then the Third Party shall be selected by the mediator provided in Section 7.7 of this Agreement.

Section 3.5. DATA USED FOR CALCULATIONS

The calculations for payments under this Agreement shall be initially based upon the valuations placed upon the Applicant's Qualified Investment and/or the Applicant's Qualified Property by the Pecos County Appraisal District in its annual certified tax roll submitted to the District pursuant to Texas Tax Code § 26.01 on or about July 25 of each year of this Agreement. Immediately upon receipt of the valuation information by the District, the District shall submit the valuation information to the Third Party selected under Section 3.4. The certified tax roll data shall form the basis of the calculation of any and all amounts due under this Agreement. All other data utilized by the Third Party to make the calculations contemplated by this Agreement shall be based upon the best available current estimates. The data utilized by the Third Party shall be adjusted from time to time by the Third Party to reflect actual amounts, subsequent adjustments by the Pecos County Appraisal District to the District's certified tax roll or any other changes in student counts, tax collections, or other data.

Section 3.6. DELIVERY OF CALCULATIONS

On or before November 1 of each year for which this Agreement is effective, the Third Party appointed pursuant to Section 3.4 of this Agreement shall forward to the Parties a certification containing the calculations required under Sections 3.2 and/or 3.3 of this Agreement in sufficient detail to allow the Parties to understand the manner in which the calculations were made. The Third Party shall simultaneously submit his, her or its invoice for fees for services rendered to the Parties, if any fees are being claimed. Upon reasonable prior notice, the employees and agents of the Applicant shall have access, at all reasonable times, to the Third Party's offices, personnel, books, records, and correspondence pertaining to the calculation and fee for the purpose of verification. The Third Party shall maintain supporting data consistent with generally accepted accounting practices, and the employees and agents of the Applicant shall have the right to reproduce and retain for purpose of audit, any of these documents. The Third Party shall preserve all documents pertaining to the calculation and fee for a period of three (3) years after payment. The Applicant shall not be liable for any of Third Party's costs resulting from an audit of the Third Party's books, records, correspondence, or work papers pertaining to the calculations contemplated by this Agreement or the fee paid by the Applicant to the Third Party pursuant to Section 3.7, if such fee is timely paid.

Section 3.7. PAYMENT BY APPLICANT

The Applicant shall pay any amount determined to be due and owing to the District under this Agreement on or before the January 31 next following the tax levy for each year for which this Agreement is effective. By such date, the Applicant shall also pay any amount billed by the Third Party. In no year shall the Applicant be responsible for the payment of a fee to the Third Party in excess of Five Thousand Dollars ($5,000.00).

Section 3.8. RESOLUTION OF DISPUTES

Pursuant to Section 3.4 and Section 3.6, should the Applicant disagree with the certification containing the calculations, the Applicant may appeal the findings, in writing, to the Third Party within fifteen (15) days of receipt of the certification. Within fifteen (15) days of receipt of the Applicant's appeal, the Third Party will issue, in writing, a final determination of the certification containing the calculations. Any appeal by the Applicant of the final determination of the Third Party may be made, in writing, to the Fort Stockton Independent School District Board of Trustees within fifteen (15) days of the final determination.

Section 3.9. EFFECT OF PROPERTY VALUE APPEAL OR OTHER ADJUSTMENT

In the event that the Taxable Value of the Applicant's Qualified Investment and/or the Applicant's Qualified Property is changed after a final appeal of the valuation or is otherwise changed, once the determination of a new value becomes final, the calculations required by Sections 3.2 and 3.3 of this Agreement will be recomputed by the Third Party using the new valuations. Upon completion of the new calculations, the Third Party shall transmit the new calculations to the Parties. The Party owing funds to the other signatories to this Agreement

shall pay any amounts owed within thirty (30) days of receipt of the new calculations from the Third Party.

Section 3.10. EFFECT OF STATUTORY CHANGES

Notwithstanding any other provision in this Agreement, but subject to the limitations contained in Section 5.1, in the event that, by virtue of statutory changes to the Applicable School Finance Law, administrative interpretations by the Comptroller, Commissioner of Education, or the Texas Education Agency, or for any other reason attributable to statutory change, the District will receive less Maintenance and Operations Revenue, or, if applicable, will be required to increase its payment of funds to the State, because of its participation in this Agreement, Applicant shall make payments to the District, up to the revenue protection amount limit set forth in Section 5.1, that are necessary to offset any negative impact on the District as a result of its participation in this Agreement. Such calculation shall take into account any adjustments to the amount calculated for the current fiscal year that should be made in order to reflect the actual impact on the District.

ARTICLE IV

PAYMENTS IN LIEU OF TAXATION

Section 4.1. AMOUNTS EXCLUSIVE OF INDEMNITY AMOUNTS

In addition to undertaking the responsibility for the payment of all of the amounts set forth under Article III, and as consideration for the execution of this Agreement by the District, the Applicant shall also be responsible for the payments in lieu of taxation set forth in Sections 4.2 and 4.3 of this Article IV. It is the express intent of the Parties that the obligation for payments in lieu of taxation under this Article IV are separate and independent of the obligation of the Applicant to pay the amounts described in Article III; provided, however, that payments under Article III and Sections 4.2 and Section 4.3 are, in all respects, subject to the limitations contained in Section 5.1.

Section 4.2. CALCULATION OF AMOUNT OF PAYMENTS IN LIEU OF TAXATION

(a) For each of years three (Tax Year 2011) through thirteen (Tax Year 2021) of this Agreement, the District shall be entitled to receive as payments in lieu of taxation an amount equal to forty percent (40%) of the net tax benefit received by the Applicant as a result of this Agreement.

(b) For purposes of Section 4.2(a), the net tax benefit shall be calculated for each of years three (Tax Year 2011) through thirteen (Tax Year 2021) of this Agreement by determining for such Tax Year (i) the amount of maintenance and operations ad valorem taxes which the Applicant would have paid to the District for such Tax Year if this Agreement had not been entered into by the Parties, (ii) adding to the amount determined under clause (i) any Tax Credit received by the Applicant

for such Tax Year, and (iii) subtracting from the sum of the amounts determined under clauses (i) and (ii) the sum of (A) all maintenance and operations ad valorem school taxes actually due to the District or any other governmental entity, including the State of Texas, for such Tax Year, plus (B) any payments due to the District under Article III for such Tax Year. The remainder (which shall not be less than zero) shall be the net tax benefit, to be divided as provided in Section 4.2(a).

(c) The net tax benefit shall be calculated by the Third Party selected pursuant to Section 3.4.

(d) The net tax benefit calculations shall be made at the same time and on the same schedule as the calculations made pursuant to Section 3.6.

(e) Payment of amounts due under this Section 4.2 shall be made at the time set forth in Section 3.7.

Section 4.3. RECALCULATION OF PAYMENTS IN LIEU OF TAXATION

The Parties agree that the payment in lieu of taxation amount set forth in Section 4.2 will initially be calculated based upon the then most current estimate of tax savings to the Applicant, which will be made based upon assumptions of student counts, tax collections, and other applicable data. For each of years three (Tax Year 2011) through thirteen (Tax Year 2021) of this Agreement, the Parties shall adjust the payment in lieu of taxation based upon the following formula:

Taxable Value of the Applicant's Qualified Property for such Tax Year had this Agreement not been entered into by the Parties (i.e., the Taxable Value of the Applicant's Qualified Property used for the District's interest and sinking fund tax purposes for such Tax Year, or school taxes due to any other governmental entity, including the State of Texas, for such Tax Year);

Minus,

The Taxable Value of the Applicant's Qualified Property for such Tax Year after giving effect to this Agreement (i.e., the Taxable Value of the Applicant's Qualified Property used for the District's maintenance and operations tax purposes for such Tax Year, or school taxes due to any other governmental entity, including the State of Texas, for such Tax Year);

Multiplied by,

The District's maintenance and operations tax rate for such Tax Year, or the school tax rate of any other governmental entity, including the State of Texas, for such Tax Year;

Plus,

Any Tax Credit received by the Applicant with respect to such Tax Year;

Minus,

Any amounts previously paid to the District under Article III;

Multiplied by,

The number 0.40;

Minus,

Any amounts previously paid to the District under Sections 4.2 and 4.3 with respect to such Tax Year.

Upon completion of the new calculations, the Third Party shall transmit same to the Parties. Within thirty (30) days of receipt of the new calculations from the Third Party, the Party owing funds to the other Party shall pay any amounts owed.

Section 4.4. DUE DATE OF PAYMENTS

All amounts owed by the Applicant to the District for a Tax Year under this Article IV shall be paid on the same date established by Section 3.7 for such Tax Year.

Section 4.5. DISTRICT'S OPTION TO DESIGNATE SUCCESSOR BENEFICIARY

At any time during this Agreement, the District's Board of Trustees may, in its sole discretion, direct that Applicant's payment obligations under this Article IV be made to its educational foundation, or to a similar entity. The alternative entity may only use such funds received under this Article to support the educational mission of the District and its students. Any designation of an alternative entity must be made by recorded vote of the District's Board of Trustees at a properly posted public Board meeting. Any such designation will become effective after public vote and the delivery of notice of said vote in conformance with the provisions of Section 6.1, below. Such designation may be rescinded by the District's Board of Trustees, by Board action, at any time.

ARTICLE V

ANNUAL LIMITATION OF PAYMENTS BY APPLICANT

SECTION 5.1. ANNUAL LIMITATION AFTER FIRST THREE YEARS

Notwithstanding anything contained in this Agreement to the contrary, and with respect to each Tax Year during the term of this Agreement after the 2011 Tax Year, in no event shall (i) the sum of the maintenance and operations ad valorem taxes paid by the Applicant to the District for such Tax Year, plus the sum of all payments otherwise due from the Applicant to the District under Article III and Sections 4.2 and 4.3 with respect to such Tax Year, exceed (ii) the amount of the maintenance and operations ad valorem taxes that the Applicant would have paid to the District for such Tax Year (determined by using the District's actual maintenance and operations tax rate for such Tax Year) if the Parties had not entered into this Agreement. The calculation and comparison of the amounts described in clauses (i) and (ii) of the preceding sentence shall be included in all calculations made pursuant to Section 3.4, and in the event the sum of the amounts described in said clause (i) exceeds the amount described in said clause (ii), then the payments otherwise due from the Applicant to the District under Article III and Sections 4.2 and 4.3 shall be reduced until such excess is eliminated.

Section 5.2. OPTION TO CANCEL AGREEMENT

In the event that any payment otherwise due from the Applicant to the District under Article III and/or Sections 4.2 and 4.3 with respect to a Tax Year is subject to reduction in accordance with the provisions of Section 5.1 above, then the Applicant shall have the option to terminate this Agreement. The Applicant may exercise such option to cancel this Agreement by notifying the District of its election in writing not later than the July 31 of the year next following the Tax Year with respect to which a reduction under Section 5.1 is applicable. Any cancellation of this Agreement under the foregoing provisions of this Section 5.2 shall be effective immediately prior to the second Tax Year next following the Tax Year in which the reduction giving rise to the option occurred. Upon such termination this Agreement shall terminate and be of no further force or effect; provided, however, that the Parties respective rights and obligations under this Agreement with respect to the Tax Year or Tax Years (as the case may be) through and including the Tax Year during which such notification is delivered to the District, shall not be impaired or modified as a result of such termination and shall survive such termination unless and until satisfied and discharged.

ARTICLE VI

TAX CREDITS

Section 6.1. APPLICANT'S ENTITLEMENT TO TAX CREDITS

The Applicant shall be entitled to tax credits from the District under and in accordance with the provisions of Subchapter D of the Act and Comptroller Rules, provided that the Applicant complies with the requirements under such provisions, including the filing of a completed Application under Section 313.103 of the Texas Tax Code and Comptroller Rules.

Section 6.2. DISTRICT'S OBLIGATIONS WITH RESPECT TO TAX CREDITS

The District shall timely comply and shall cause the District's collector of taxes to timely comply with their obligations under Subchapter D of the Act and Comptroller Rules, including, but not limited to, such obligations set forth in Section 313.104 of the Texas Tax Code and either Comptroller and/or Texas Education Agency Rules .

Section 6.3. COMPENSATION FOR LOSS OF TAX CREDIT PROTECTION REVENUES

If after the Applicant has actually received the benefit of a tax credit under Section 6.1, the District does not receive aid from the State pursuant to Texas Education Code § 42.2515 or other similar or successor statute with respect to all or any portion of such tax credit for reasons other than the District's failure to comply with the requirements for obtaining such aid, then the District shall notify the Applicant in writing thereof and the circumstances surrounding the State's failure to provide such aid to the District. The Applicant shall pay to the District the amount of such tax credit for which the District did not receive such aid within thirty (30) calendar days after receipt of such notice, and such payment shall be subject to the same provisions for late payment as are set forth in Section 7.4 and 7.5. If the District receives aid from the State for all or any portion of a tax credit with respect to which the Applicant has made a payment to the District under this Section 6.3, then the District shall pay to the Applicant the amount of such aid within thirty (30) calendar days after the District's receipt thereof.

ARTICLE VII

ADDITIONAL OBLIGATIONS OF APPLICANT

Section 7.1. DATA REQUESTS

During the term of this Agreement, and upon the written request of one Party (the "Requesting Party"), the other Party shall provide the Requesting Party with all information reasonably necessary for the Requesting Party to determine whether the other Party is in compliance with its obligations under this Agreement. The Applicant shall allow authorized employees of the District and/or the County Appraisal District to have access to the Applicant's

Qualified Property during the term of this Agreement, in order to inspect the project to determine compliance with the terms hereof or as necessary to properly appraise the Taxable Value of the Applicant's Qualified Property and any other tangible property on the premises. All inspections will be made at a mutually agreeable time after the giving of not less that forty-eight (48) hours prior written notice, and will be conducted in such a manner so as not to unreasonably interfere with either the construction or operation of the Applicant's Qualified Property. All inspections may be accompanied by one or more representatives of the Applicant, and shall be conducted in accordance with the Applicant's safety, security, and operational standards. Notwithstanding the foregoing, nothing contained in this Agreement shall require the Applicant to provide the District or the County Appraisal District with any technical or business information that is private personnel data, proprietary, a trade secret or confidential in nature or is subject to a confidentiality agreement with any third party.

Section 7.2. REPORTS TO OTHER GOVERNMENTAL AGENCIES

Applicant shall timely make any and all reports that are or may be required under the provisions of law or administrative regulation, including but not limited to the annual report or certifications that may be required to be submitted by the Applicant to the Texas Comptroller of Public Accounts under the provisions of Texas Tax Code § 313.032. Applicant shall forward a copy of all such required reports or certifications to the District contemporaneously with the filing thereof. The obligation to make all such required filings shall be a material obligation under this Agreement.

Section 7.3. APPLICANT'S OBLIGATION TO MAINTAIN VIABLE PRESENCE

By entering into this Agreement, the Applicant warrants that:

(a). it will abide by all of the terms of the Agreement.

(b) it will Maintain Viable Presence in the District from the time the Qualified property is First Placed in Service through the termination date of this Agreement. Notwithstanding anything contained in this Agreement to the contrary, the Applicant shall not be in breach of, and shall not be subject to any liability for failure to Maintain Viable Presence to the extent such failure is caused by Force Majeure (as hereinafter defined), provided the Applicant makes commercially reasonable efforts to remedy the cause of such Force Majeure; and,

(c) it will meet minimum eligibility requirements under Tax Code, Chapter 313 throughout the value limitation and tax-credit settle-up periods

Section 7.4. CONSEQUENCES OF EARLY TERMINATION OR OTHER BREACH BY APPLICANT

(a) In the event that the Applicant terminates this Agreement without the consent of the District, except as provided in Section 5.2, or in the event that the Applicant or its successor-

in-interest fails to comply in any material respect with the terms of this Agreement or to meet any material obligation under this Agreement, after the notice and cure period provided by Section 7.6, then the District shall be entitled to the recapture of all ad valorem tax revenue lost as a result of this Agreement together with the payment of penalty and interest, as calculated in accordance with Section 7.5, on that recaptured ad valorem tax revenue. For purposes of this recapture calculation, the Applicant shall be entitled to a credit for all payments made to the District pursuant to Article III. Applicant shall also be entitled to a credit for any amounts paid to the District pursuant to Article IV.

(b) Notwithstanding Section 7.4(a), in the event that the District determines that the Applicant has failed to Maintain Viable Presence and provides written notice of termination of the Agreement, then the Applicant shall pay to the District liquidated damages for such failure within thirty (30) days after receipt of such termination notice. The sum of liquidated damages due and payable shall be the sum total of the District ad valorem taxes for all of the Tax Years for which a Tax Limitation was granted pursuant to this Agreement prior to the year in which the default occurs that otherwise would have been due and payable by the Applicant to the District without the benefit of this Agreement, including penalty and interest, as calculated in accordance with Section 7.5. For purposes of this liquidated damages calculation, the Applicant shall be entitled to a credit for all payments made to the District pursuant to Article III. The Applicant shall also be entitled to a credit for any amounts paid to the District pursuant to Article IV. Upon payment of such liquidated damages, Applicant's obligations under this Agreement shall be deemed fully satisfied, and such payment shall constitute the District's sole remedy.

Section 7.5. CALCULATION OF PENALTY AND INTEREST

In determining the amount of penalty or interest, or both, due in the event of a breach of this Agreement, the District shall first determine the base amount of recaptured taxes owed less all credits under Section 7.4 for each Tax Year during the term of this Agreement since the Commencement Date. The District shall calculate penalty or interest for each Tax Year during the term of this Agreement since the Commencement Date in accordance with the methodology set forth in Chapter 33 of the Texas Tax Code, as if the base amount calculated for such Tax Year less all credits under Section 7.4 had become due and payable on February 1 of the calendar year following such Tax Year. Penalties on said amounts shall be calculated in accordance with the methodology set forth in Texas Tax Code § 33.01(a), or its successor statute. Interest on said amounts shall be calculated in accordance with the methodology set forth in Texas Tax Code § 33.01(c), or its successor statute.

Section 7.6. DETERMINATION OF BREACH

Prior to making a determination that the Applicant has failed to Maintain Viable Presence in the District as required by Section 7.3 of this Agreement, or has otherwise committed a material breach of this Agreement, the District shall provide the Applicant with a written notice of the facts which it believes have caused the material breach of this Agreement, and if cure is possible, the cure proposed by the District. After receipt of the notice, Applicant shall be given

sixty (60) days to present any facts or arguments to the Board of Trustees showing that it is not in material breach of its obligations under the Agreement, or that it has cured or undertaken to cure any such material breach.

If the Board of Trustees is not satisfied with such response and/or that such breach has been cured, then the Board of Trustees shall, after reasonable notice to the Applicant, conduct a hearing called and held for the purpose of determining whether such breach has occurred and, if so, whether such breach has been cured. At any such hearing, the Applicant shall have the opportunity, together with their counsel, to be heard before the Board of Trustees. At the hearing, the Board of Trustees shall make findings as to whether or not a material breach of this Agreement has occurred, the date such breach occurred, if any, and whether or not any such breach has been cured. In the event that the Board of Trustees determines that such a breach has occurred and has not been cured, it shall also determine the amounts of recaptured taxes under Section 7.4 (net of all credits under Section 7.4), and the amount of any penalty and/or interest under Section 7.5 that are owed to the District.

After making its determination regarding any alleged breach, the Board of Trustees shall cause the Applicant to be notified in writing of its determination.

Section 7.7. DISPUTE RESOLUTION

After receipt of notice of the Board of Trustee's determination of a material breach under Section 7.6, the Applicant shall have sixty (60) days in which either to tender payment or evidence of its efforts to cure, or to initiate mediation of the dispute by written notice to the District, in which case the District and the Applicant shall be required to make a good faith effort to resolve, without resort to litigation and within sixty (60) days after the Applicant's receipt of notice of the Board of Trustee's determination of breach under Section 7.6, such dispute through mediation with a mutually agreeable mediator and at a mutually convenient time and place for the mediation. If the Parties are unable to agree on a mediator, a mediator shall be selected by the senior state district court judge then residing in Pecos County, Texas. The Parties agree to sign a document that provides the mediator and the mediation will be governed by the provisions of Chapter 154 of the Texas Civil Practice and Remedies Code and such other rules as the mediator shall prescribe. With respect to such mediation, (i) the District shall bear one-half of such mediator's fees and expenses and the Applicant shall bear one-half of such mediator's fees and expenses, and (ii) otherwise each Party shall bear all of its costs and expenses (including attorneys' fees) incurred in connection with such mediation.

In the event that any mediation is not successful in resolving the dispute or that payment is not received before the expiration of such sixty (60) days, the District shall have the remedies for the collection of the amounts determined under Section 7.6 as are set forth in Texas Tax Code Chapter 33, Subchapters B and C, for the collection of delinquent taxes. In the event that the District successfully prosecutes legal proceedings under this section, the Applicant shall also be responsible for the payment of attorney's fees and a tax lien on the Applicant's Qualified

Property and the Applicant's Qualified Investment pursuant to Texas Tax Code § 33.07 to the attorneys representing the District pursuant to Texas Tax Code § 6.30.

Subject to Section 7.9, in any event where a dispute between the District and the Applicant under this Agreement cannot be resolved by the Parties, either the District or the Applicant may seek a judicial declaration of their respective rights and duties under this Agreement or otherwise, in any judicial proceeding, assert any rights or defenses, or seek any remedy in law or in equity, against the other Party with respect to any claim relating to any breach, default, or nonperformance of any covenant, agreement or undertaking made by a Party pursuant to this Agreement.

Section 7.8. LIMITATION OF OTHER DAMAGES

Notwithstanding anything contained in this Agreement to the contrary, in the event of default or breach of this Agreement by the Applicant, the District's damages for such a default shall under no circumstances exceed the greater of either any amounts calculated under Sections 7.4 and 7.5 above, or the monetary sum of the difference between the payments and credits due and owing to the Applicant at the time of such default and the District taxes that would have been lawfully payable to the District had this Agreement not been executed. In addition, the District's sole right of equitable relief under this Agreement shall be its right to terminate this Agreement.

The Parties further agree that the limitation of damages and remedies set forth in this Section 7.8 shall be the sole and exclusive remedies available to the District, whether at law or under principles of equity.

Section 7.9. BINDING ON SUCCESSORS

In the event of a merger or consolidation of the District with another school district or other governmental authority, this Agreement shall be binding on the successor school district or other governmental authority.

ARTICLE VIII

MISCELLANEOUS PROVISIONS

Section 8.1. INFORMATION AND NOTICES

Unless otherwise expressly provided in this Agreement, all notices required or permitted hereunder shall be in writing and deemed sufficiently given for all purposes hereof if (i) delivered in person, by courier (e.g., by Federal Express) or by registered or certified United States Mail to the Party to be notified, with receipt obtained, or (ii) sent by facsimile transmission, with "answer back" or other "advice of receipt" obtained, in each case to the appropriate address or number as set forth below. Each notice shall be deemed effective on

receipt by the addressee as aforesaid; provided that, notice received by facsimile transmission after 5:00 p.m. at the location of the addressee of such notice shall be deemed received on the first business day following the date of such electronic receipt.

Notices to the District shall be addressed as follows:

Ron Mayfield
Superintendent
FORT STOCKTON INDEPENDENT SCHOOL DISTRICT
101 West Division
Fort Stockton, TX 79735
Fax: (432) 336 4008

or at such other address or to such other facsimile transmission number and to the attention of such other person as the District may designate by written notice to the Applicant.

Notices to the Applicant shall be addressed to:

Tax Manager
Authorized Representative
SANDRIDGE ENERGY, INC.
123 Robert S. Kerr Avenue
Oklahoma City, Oklahoma 73102-6406
Fax: (405) 605-3167

or at such other address or to such other facsimile transmission number and to the attention of such other person as the Applicant may designate by written notice to the District.

Section 8.2. EFFECTIVE DATE, TERMINATION OF AGREEMENT

(a) This Agreement shall be and become effective on January 1, 2009, the effective date upon which the tax limitation agreement is first made effective by the District.

(b) The obligation to Maintain Viable Presence under this Agreement shall remain in full force and effect through the termination in full date established in Section 1.2 of this Agreement.

(c) In the event that Applicant fails to make a Qualified Investment in the amount Twenty Million Dollars ($20,000,000.00), or greater during the Qualifying Time Period, this Agreement shall become null and void on the second anniversary of the effective date.

Section 8.3. AMENDMENTS TO AGREEMENT; WAIVERS

This Agreement may not be modified or amended except by an instrument or instruments in writing signed by all of the Parties. Waiver of any term, condition or provision of this Agreement by any Party shall only be effective if in writing and shall not be construed as a waiver of any subsequent breach of, or failure to comply with, the same term, condition or provision, or a waiver of any other term, condition or provision of this Agreement. Pursuant to Comptroller's Rule 9.1055, and subject to Section 2.3, by official action of the Board of Trustees, this Agreement may be amended to include, in the Applicant's Qualified Investment, additional or replacement Qualified Property not specified in **EXHIBIT 3**. provided that the Applicant reports to the District, the Comptroller, and the Appraisal District, in the same format, style, and presentation as the Application, all relevant investment, value, and employment information that is related to the additional property. Any amendment of the Agreement adding additional or replacement Qualified Property pursuant to this Section 6.3 shall, pursuant to Comptroller's Rule 9.1055, (1) require that all property added by amendment be eligible property as defined by Tax Code, §313.024; (2) clearly distinguish the property, investment, and employment information added by amendment from the property, investment, and employment information in the original Agreement; and (3) define minimum eligibility requirements for the recipient of limited value. This Agreement may not be amended to extend the value limitation time period.

Section 8.4. ASSIGNMENT

The Applicant may assign this Agreement, or a portion of this Agreement, to an Affiliate or a new owner or lessee of all or a portion of the Applicant's Qualified Property and/or the Applicant's Qualified Investment, provided that the Applicant shall provide written notice of such assignment to the District. Upon such assignment, Applicant's assignee will be liable to the District for outstanding taxes or other obligations arising under this Agreement.

Section 8.5. MERGER

This Agreement contains all of the terms and conditions of the understanding of the Parties relating to the subject matter hereof. All prior negotiations, discussions, correspondence, and preliminary understandings between the Parties and others relating hereto are superseded by this Agreement.

Section 8.6. MAINTENANCE OF COUNTY APPRAISAL DISTRICT RECORDS

When appraising the Applicant's Qualified Property and the Applicant's Qualified Investment subject to a limitation on Appraised Value under this Agreement, the Chief Appraiser of the County Appraisal District shall determine the Market Value thereof and include both such Market Value and the appropriate value thereof under this Agreement in its appraisal records.

Section 8.7. GOVERNING LAW

This Agreement and the transactions contemplated hereby shall be governed by and interpreted in accordance with the laws of the State of Texas without giving effect to principles thereof relating to conflicts of law or rules that would direct the application of the laws of another jurisdiction. Venue in any legal proceeding shall be in Pecos County, Texas.

Section 8.8. AUTHORITY TO EXECUTE AGREEMENT

Each of the Parties represents and warrants that its undersigned representative has been expressly authorized to execute this Agreement for and on behalf of such Party.

Section 8.9. SEVERABILITY

If any term, provision or condition of this Agreement, or any application thereof, is held invalid, illegal or unenforceable in any respect under any Law (as hereinafter defined), this Agreement shall be reformed to the extent necessary to conform, in each case consistent with the intention of the Parties, to such Law, and to the extent such term, provision or condition cannot be so reformed, then such term, provision or condition (or such invalid, illegal or unenforceable application thereof) shall be deemed deleted from (or prohibited under) this Agreement, as the case may be, and the validity, legality and enforceability of the remaining terms, provisions and conditions contained herein (and any other application such term, provision or condition) shall not in any way be affected or impaired thereby. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties hereto shall negotiate in good faith to modify this Agreement in an acceptable manner so as to effect the original intent of the Parties as closely as possible to the end that the transactions contemplated hereby are fulfilled to the extent possible. As used in this Section 8.9, the term "Law" shall mean any applicable statute, law (including common law), ordinance, regulation, rule, ruling, order, writ, injunction, decree or other official act of or by any federal, state or local government, governmental department, commission, board, bureau, agency, regulatory authority, instrumentality, or judicial or administrative body having jurisdiction over the matter or matters in question.

Section 8.10. PAYMENT OF EXPENSES

Except as otherwise expressly provided in this Agreement, or as covered by the application fee, each of the Parties shall pay its own costs and expenses relating to this Agreement, including, but not limited to, its costs and expenses of the negotiations leading up to this Agreement, and of its performance and compliance with this Agreement.

Section 8.11. INTERPRETATION

When a reference is made in this Agreement to a Section, Article or Exhibit, such reference shall be to a Section or Article of, or Exhibit to, this Agreement unless otherwise indicated. The headings contained in this Agreement are for reference purposes only and shall

not affect in any way the meaning or interpretation of this Agreement. The words "include," "includes" and "including" when used in this Agreement shall be deemed in such case to be followed by the phrase ", but not limited to,". Words used in this Agreement, regardless of the number or gender specifically used, shall be deemed and construed to include any other number, singular or plural, and any other gender, masculine, feminine or neuter, as the context shall require. This Agreement is the joint product of the Parties and each provision of this Agreement has been subject to the mutual consultation, negotiation and agreement of each Party and shall not be construed for or against any Party.

Section 8.12. EXECUTION OF COUNTERPARTS

This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, and all of which, taken together, shall constitute but one and the same instrument, which may be sufficiently evidenced by one counterpart.

IN WITNESS WHEREOF, this Agreement has been executed by the Parties in multiple originals on this 22nd day of December 2008.

SANDRIDGE ENERGY, INC.

By: _____
TOM L. WARD
President and CEO
SandRidge Energy, Inc.

FORT STOCKTON INDEPENDENT SCHOOL DISTRICT

By: _____
KEN RIPLEY
President
Board of Trustees

ATTEST:

_____
WARREN CUDE
Secretary
Board of Trustees

EXHIBIT 1

DESCRIPTION OF QUALIFIED REINVESTMENT ZONE

On August 11, 2008, the Pecos County Commissioner's Court, at the request of SandRidge Energy, Inc. designated certain real property within unincorporated Pecos County, Texas as a SandRidge Energy Plant, Pikes Peak-Grey Ranch Reinvestment Zone. A map of the SandRidge Energy Plant, Pikes Peak-Grey Ranch Reinvestment Zone is attached as the last page of this **EXHIBIT 1.**

As a result of the action of the Pecos County Commissioners' Court, the SandRidge Energy Plant, Pikes Peak-Grey Ranch Reinvestment Zone includes the following property and tracks.

THE STATE OF TEXAS § PECOS COUNTY

ORDER DESIGNATING PROPERTY LOCATED IN PECOS COUNTY AS A REINVESTMENT ZONE

WHEREAS, SandRidge Energy, Inc., on behalf of itself and its wholly owned subsidiaries SandRidge Midstream, Inc and SandRidge Exploration and Production, LLC (collectively known as "SandRidge") have submitted an application to Pecos County for the designation of certain property located in Pecos County as a Reinvestment Zone under chapter 312 of the Texas Tax Code; and,

WHEREAS, the proposed project is intended for use as a Gas Treating Plant and Gathering System by SandRidge Midstream, Inc; and,

WHEREAS, the proposed property to be designated as a Reinvestment Zone is located in Pecos County as described in SandRidge Energy, Inc, Pikes Peak – Grey Ranch – Exhibit A Map Descriptions; and,

WHEREAS, the project meets the Pecos County Guidelines for Tax Abatement and designation as a Reinvestment Zone; and,

WHEREAS, the Commissioners Court has determined that designation of proposed Reinvestment Zone will contribute to the retention or expansion of primary employment and would attract major investment in the Zone that would contribute to the economic development of Pecos County;

NOW THEREFORE, BE IT ORDERED by the Pecos County Commissioners' Court that;

A Reinvestment Zone be designated for certain property as described in SandRidge Energy, Inc, Pikes Peak – Grey Ranch, Exhibit A Map Descriptions of the Application for Tax Abatement and designation of Reinvestment Zone submitted by SandRidge Energy, Inc., on behalf of itself and its wholly owned subsidiaries SandRidge Midstream, Inc and SandRidge Exploration and Production, LLC (collectively known as "SandRidge").

Resolved, this the 11 **day of** August, **2008**

Joe Shuster, Pecos County Judge

George Riggs, Commissioner Pct. 1

Juan Rodriguez, Commissioner Pct. 2

Jay Kent, Commissioner Pct. 3

Santiago Cantu, Commissioner Pct. 4

Judy Deerfield
Pecos County Clerk

STATE OF TEXAS
COUNTY OF PECOS
I, JUDY DEERFIELD, County Clerk in and for said county and State, do hereby certify that the above and foregoing is a true and correct copy of the instrument filed for record as shown and duly recorded in Vol. 39 Pg. 686 of the Commissioners records of said County.
Witness my hand and seal of office on 8/26/2008

JUDY DEERFIELD, COUNTY CLERK
PECOS COUNTY, TEXAS
By _____ Deputy

SANDRIDGE ENERGY, INC.
PIKES PEAK - GREY RANCH
EXHIBIT A MAP DESCRIPTIONS

SECT	BLK	SURVEY	COUNTY	RRD	STATE	CLASS	TYPE	STCTY
7	2	H&TC RR CO	371	8	42	1	4	42371
4	4	H&TC RR CO	371	8	42	1	4	42371
1	1	H&TC RR CO	371	8	42	1	4	42371
30	1	H&TC RR CO	371	8	42	1	4	42371
11	2	H&TC RR CO	371	8	42	1	4	42371
5	182	TC RR CO	371	8	42	1	4	42371
10	2	TC RR CO	371	8	42	1	4	42371
13	2	TC RR CO	371	8	42	1	4	42371
18	2	TC RR CO	371	8	42	1	4	42371
26	2	TC RR CO	371	8	42	1	4	42371
20	1	GC&SF RR CO	371	8	42	1	4	42371
24	1	GC&SF RR CO	371	8	42	1	4	42371
68	D	GC&SF RR CO	371	8	42	1	4	42371
49	101	JV MASSEY	371	8	42	1	4	42371
9	600	MA CLAY	371	8	42	1	4	42371
34	101	MEP&P RR CO	371	8	42	1	4	42371
31	101	GC&SF RR CO	371	8	42	1	4	42371
6	Q	TC RR CO	371	8	42	1	4	42371
32	136	T&STL RR CO	371	8	42	1	4	42371
36	136	T&STL RR CO	371	8	42	1	4	42371
32	137	T&STL RR CO	371	8	42	1	4	42371
36	137	T&STL RR CO	371	8	42	1	4	42371
18	138	T&STL RR CO	371	8	42	1	4	42371
29	139	T&STL RR CO	371	8	42	1	4	42371
33	138	T&STL RR CO	371	8	42	1	4	42371
1	110	NICHOLAS I TALIAFERRO	371	8	42	1	4	42371
4	110	D&SE RR CO	371	8	42	1	4	42371
26	136	T&STL RR CO	371	8	42	1	4	42371
17	129	T&STL RR CO	371	8	42	1	4	42371
20	129	T&STL RR CO	371	8	42	1	4	42371
36	139	T&STL RR CO	371	8	42	1	4	42371
11	108	EL&RR RR CO	371	8	42	1	4	42371
12	108	EL&RR RR CO	371	8	42	1	4	42371
2	169	GH&SA RR CO	371	8	42	1	4	42371
75	2	TC RR CO	371	8	42	1	4	42371
90	2	TC RR CO	371	8	42	1	4	42371
3		A N SERGEANT	371	8	42	1	4	42371
8	110A	BS&F	371	8	42	1	4	42371
43	1	GC&SF RR CO	371	8	42	1	4	42371
41	2	TC RR CO	371	8	42	1	4	42371
43	2	TC RR CO	371	8	42	1	4	42371
44	2	TC RR CO	371	8	42	1	4	42371
48	2	TC RR CO	371	8	42	1	4	42371
52	2	TC RR CO	371	8	42	1	4	42371
70	2	TC RR CO	371	8	42	1	4	42371
34	130	T&STL RR CO	371	8	42	1	4	42371
3	170	TT RR CO	371	8	42	1	4	42371
5	129	T&STL RR CO	371	8	42	1	4	42371
9	129	T&STL RR CO	371	8	42	1	4	42371
23	130	T&STL RR CO	371	8	42	1	4	42371
27	130	T&STL RR CO	371	8	42	1	4	42371
46	1	GC&SF RR CO	371	8	42	1	4	42371
4	600	J N SIMS	371	8	42	1	4	42371
48	101	J POITEVENT	371	8	42	1	4	42371
2	600	JA DECKIE	371	8	42	1	4	42371
20	138	T&STL RR CO	371	8	42	1	4	42371
22	138	T&STL RR CO	371	8	42	1	4	42371

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JUDY DEERFIELD, COUNTY CLERK
PECOS COUNTY, TEXAS

SANDRIDGE ENERGY, INC.
PIKES PEAK - GREY RANCH
EXHIBIT A MAP DESCRIPTIONS

SECT	BLK	SURVEY	COUNTY	RRD	STATE	CLASS	TYPE	STCTY
27	138	T&STL RR CO	371	8	42	1	4	42371
28	138	T&STL RR CO	371	8	42	1	4	42371
30	138	T&STL RR CO	371	8	42	1	4	42371
31	138	T&STL RR CO	371	8	42	1	4	42371
32	138	T&STL RR CO	371	8	42	1	4	42371
34	138	T&STL RR CO	371	8	42	1	4	42371
2	182	TC RR CO	371	8	42	1	4	42371
3	182	TC RR CO	371	8	42	1	4	42371
4	182	TC RR CO	371	8	42	1	4	42371
6	182	TC RR CO	371	8	42	1	4	42371
11	2	TC RR CO	371	8	42	1	4	42371
12	2	TC RR CO	371	8	42	1	4	42371
14	2	TC RR CO	371	8	42	1	4	42371
15	2	TC RR CO	371	8	42	1	4	42371
16	2	TC RR CO	371	8	42	1	4	42371
17	2	TC RR CO	371	8	42	1	4	42371
19	2	TC RR CO	371	8	42	1	4	42371
20	2	TC RR CO	371	8	42	1	4	42371
22	2	TC RR CO	371	8	42	1	4	42371
23	2	TC RR CO	371	8	42	1	4	42371
4	2	TC RR CO	371	8	42	1	4	42371
45	2	TC RR CO	371	8	42	1	4	42371
46	2	TC RR CO	371	8	42	1	4	42371
47	2	TC RR CO	371	8	42	1	4	42371
49	2	TC RR CO	371	8	42	1	4	42371
5	2	TC RR CO	371	8	42	1	4	42371
50	2	TC RR CO	371	8	42	1	4	42371
51	2	TC RR CO	371	8	42	1	4	42371
53	2	TC RR CO	371	8	42	1	4	42371
5	110	J C FORBIS	371	8	42	1	4	42371
35	139	T&STL RR CO	371	8	42	1	4	42371
51	0	JACOB SCHELLHES	371	8	42	1	4	42371
24	2	TC RR CO	371	8	42	1	4	42371
25	2	TC RR CO	371	8	42	1	4	42371
27	2	TC RR CO	371	8	42	1	4	42371
28	2	TC RR CO	371	8	42	1	4	42371
11	1	H&TC RR CO	371	8	42	1	4	42371
12	1	H&TC RR CO	371	8	42	1	4	42371
19	1	H&TC RR CO	371	8	42	1	4	42371
2	1	H&TC RR CO	371	8	42	1	4	42371
20	1	H&TC RR CO	371	8	42	1	4	42371
1	159	GH&SA RR CO	371	8	42	1	4	42371
3	159	GH&SA RR CO	371	8	42	1	4	42371
4	159	GH&SA RR CO	371	8	42	1	4	42371
3	600	H C KINGSTON	371	8	42	1	4	42371
14	2	H&TC RR CO	371	8	42	1	4	42371
15	2	H&TC RR CO	371	8	42	1	4	42371
7	600	JM HOLBROOK	371	8	42	1	4	42371
10	600	JOHN FREEMAN	371	8	42	1	4	42371
3	111	JOHN H CHOAT	371	8	42	1	4	42371
14	600	NATHEN LAMBERT	371	8	42	1	4	42371
5	159	HM LARRILLARD	371	8	42	1	4	42371
1	600	HM RODMAN	371	8	42	1	4	42371
6	159	RB MOMICHAEL	371	8	42	1	4	42371
2	111	REUBEN DEWEYE	371	8	42	1	4	42371
2	170	TT RR CO	371	8	42	1	4	42371
2		SARAH HILL	371	8	42	1	4	42371

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PECOS COUNTY, TEXAS

SANDRIDGE ENERGY, INC.
PIKES PEAK - GREY RANCH
EXHIBIT A MAP DESCRIPTIONS

SECT	BLK	SURVEY	COUNTY	BRD	STATE	CLASS	TYPE	STCTY
1	108	SA&MG RR CO	371	8	42	1	4	42371
3	110A	SA&MG RR CO	371	8	42	1	4	42371
5	110A	SA&MG RR CO	371	8	42	1	4	42371
1	170	TT RR CO	371	8	42	1	4	42371
31	136	T&STL RR CO	371	8	42	1	4	42371
33	136	T&STL RR CO	371	8	42	1	4	42371
34	136	T&STL RR CO	371	8	42	1	4	42371
35	136	T&STL RR CO	371	8	42	1	4	42371
2	110	FRANCISCO GARCIA	371	8	42	1	4	42371
5	600	FRANCISCO PINA	371	8	42	1	4	42371
6	600	ELIJAH ROBERTS	371	8	42	1	4	42371
8	600	SS STUBBLEFIELD	371	8	42	1	4	42371
12	600	IA STOREY	371	8	42	1	4	42371
1	111	RA WESTOVER	371	8	42	1	4	42371
31	137	T&STL RR CO	371	8	42	1	4	42371
33	137	T&STL RR CO	371	8	42	1	4	42371
34	137	T&STL RR CO	371	8	42	1	4	42371
35	137	T&STL RR CO	371	8	42	1	4	42371
15	138	T&STL RR CO	371	8	42	1	4	42371
16	138	T&STL RR CO	371	8	42	1	4	42371
17	138	T&STL RR CO	371	8	42	1	4	42371
4	170	TT RR CO	371	8	42	1	4	42371
5	170	TT RR CO	371	8	42	1	4	42371
6	170	TT RR CO	371	8	42	1	4	42371
7	170	TT RR CO	371	8	42	1	4	42371
1	182	TC RR CO	371	8	42	1	4	42371
18	138	T&STL RR CO	371	8	42	1	4	42371
1	XX	W G DARK	371	8	42	1	4	42371
18	1	GC&SF RR CO	371	8	42	1	4	42371
19	1	GC&SF RR CO	371	8	42	1	4	42371
2	1	GC&SF RR CO	371	8	42	1	4	42371
21	1	GC&SF RR CO	371	8	42	1	4	42371
22	1	GC&SF RR CO	371	8	42	1	4	42371
23	1	GC&SF RR CO	371	8	42	1	4	42371
25	1	GC&SF RR CO	371	8	42	1	4	42371
3	1	GC&SF RR CO	371	8	42	1	4	42371
42	1	GC&SF RR CO	371	8	42	1	4	42371
44	1	GC&SF RR CO	371	8	42	1	4	42371
45	1	GC&SF RR CO	371	8	42	1	4	42371
2		W C SUBLETT	371	8	42	1	4	42371
54	2	TC RR CO	371	8	42	1	4	42371
68	2	TC RR CO	371	8	42	1	4	42371
69	2	TC RR CO	371	8	42	1	4	42371
7	2	TC RR CO	371	8	42	1	4	42371
71	2	TC RR CO	371	8	42	1	4	42371
72	2	TC RR CO	371	8	42	1	4	42371
73	2	TC RR CO	371	8	42	1	4	42371
74	2	TC RR CO	371	8	42	1	4	42371
5	Q	TC RR CO	371	8	42	1	4	42371
8	2	TC RR CO	371	8	42	1	4	42371
65	101	AB&M	371	8	42	1	4	42371
66	101	AB&M	371	8	42	1	4	42371
87	2	TC RR CO	371	8	42	1	4	42371
88	2	TC RR CO	371	8	42	1	4	42371
89	2	TC RR CO	371	8	42	1	4	42371
9	2	TC RR CO	371	8	42	1	4	42371
10	108	D&P RR CO	371	8	42	1	4	42371

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PECOS COUNTY, TEXAS

SANDRIDGE ENERGY, INC.
PIKES PEAK - GREY RANCH
EXHIBIT A MAP DESCRIPTIONS

SECT	BLK	SURVEY	COUNTY	RRD	STATE	CLASS	TYPE	STCTY
6	108	D&P RR CO	371	8	42	1	4	42371
9	108	D&P RR CO	371	8	42	1	4	42371
3	110	D&SE RR CO	371	8	42	1	4	42371
100		THOMAS J HALL	371	8	42	1	4	42371
21	1	H&TC RR CO	371	8	42	1	4	42371
22	1	H&TC RR CO	371	8	42	1	4	42371
2	162	A I CLEMENTS	371	8	42	1	4	42371
2	600	B P SIMMONS	371	8	42	1	4	42371
11	600	C C BRYANT	371	8	42	1	4	42371
12	120	GC&SF RR CO	371	8	42	1	4	42371
1	2	H&TC RR CO	371	8	42	1	4	42371
10	2	H&TC RR CO	371	8	42	1	4	42371
12	2	H&TC RR CO	371	8	42	1	4	42371
13	2	H&TC RR CO	371	8	42	1	4	42371
16	129	T&STL RR CO	371	8	42	1	4	42371
16	129	T&STL RR CO	371	8	42	1	4	42371
19	129	T&STL RR CO	371	8	42	1	4	42371
43	D	GC&SF RR CO	371	8	42	1	4	42371
46	D	GC&SF RR CO	371	8	42	1	4	42371
47	D	GC&SF RR CO	371	8	42	1	4	42371
48	D	GC&SF RR CO	371	8	42	1	4	42371
33	101	MEP&P RR CO	371	8	42	1	4	42371
21	129	T&STL RR CO	371	8	42	1	4	42371
60	0	BENJAMEN NOBLE	371	8	42	1	4	42371
10	110A	BS&F	371	8	42	1	4	42371
7	110A	BS&F	371	8	42	1	4	42371
9	110A	BS&F	371	8	42	1	4	42371
27	D	GC&SF RR CO	371	8	42	1	4	42371
28	D	GC&SF RR CO	371	8	42	1	4	42371
29	D	GC&SF RR CO	371	8	42	1	4	42371
30	D	GC&SF RR CO	371	8	42	1	4	42371
31	D	GC&SF RR CO	371	8	42	1	4	42371
4	129	T&STL RR CO	371	8	42	1	4	42371
8	129	T&STL RR CO	371	8	42	1	4	42371
24	130	T&STL RR CO	371	8	42	1	4	42371
26	130	T&STL RR CO	371	8	42	1	4	42371
32	130	T&STL RR CO	371	8	42	1	4	42371
33	130	T&STL RR CO	371	8	42	1	4	42371
42	D	GC&SF RR CO	371	8	42	1	4	42371
16	2	H&TC RR CO	371	8	42	1	4	42371
2	2	H&TC RR CO	371	8	42	1	4	42371
3	2	H&TC RR CO	371	8	42	1	4	42371
67	D	GC&SF RR CO	371	8	42	1	4	42371
71	D	GC&SF RR CO	371	8	42	1	4	42371
72	D	GC&SF RR CO	371	8	42	1	4	42371
73	D	GC&SF RR CO	371	8	42	1	4	42371
75	D	GC&SF RR CO	371	8	42	1	4	42371
76	D	GC&SF RR CO	371	8	42	1	4	42371
77	D	GC&SF RR CO	371	8	42	1	4	42371
1		MEP&P RR CO	371	8	42	1	4	42371
49	D	GC&SF RR CO	371	8	42	1	4	42371
50	D	GC&SF RR CO	371	8	42	1	4	42371
54	D	GC&SF RR CO	371	8	42	1	4	42371
4	2	H&TC RR CO	371	8	42	1	4	42371
5	2	H&TC RR CO	371	8	42	1	4	42371
6	2	H&TC RR CO	371	8	42	1	4	42371
8	2	H&TC RR CO	371	8	42	1	4	42371

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SANDRIDGE ENERGY, INC.
PIKES PEAK - GREY RANCH
EXHIBIT A MAP DESCRIPTIONS

SECT	BLK	SURVEY	COUNTY	NRO	STATE	CLASS	TYPE	STCTY
9	2	H&TC RR CO	371	8	42	1	4	42371
2	168	MRS J P MULLINS	371	8	42	1	4	42371
1	190	MRS JC LAWRENCE	371	8	42	1	4	42371
94	D	GC&SF RR CO	371	8	42	1	4	42371
1	3	H&TC RR CO	371	8	42	1	4	42371
2	9	H&TC RR CO	371	8	42	1	4	42371
4	Q	GC&SF RR CO	371	8	42	1	4	42371
1	4	H&TC RR CO	371	8	42	1	4	42371
2	4	H&TC RR CO	371	8	42	1	4	42371
3	4	H&TC RR CO	371	8	42	1	4	42371
5	4	H&TC RR CO	371	8	42	1	4	42371
6	4	H&TC RR CO	371	8	42	1	4	42371
2	108	HANNAH DONAHUE ALIAS ALEXANDER	371	8	42	1	4	42371
20	1	H&TC RR CO	371	8	42	1	4	42371
9	1	H&TC RR CO	371	8	42	1	4	42371
16	2	H&TC RR CO	371	8	42	1	4	42371
17	2	H&TC RR CO	371	8	42	1	4	42371
6	110A	SA&MG RR CO	371	8	42	1	4	42371
21	2	TC RR CO	371	8	42	1	4	42371
6	2	TC RR CO	371	8	42	1	4	42371
96	D	GC&SF RR CO	371	8	42	1	4	42371
10	1	H&TC RR CO	371	8	42	1	4	42371
21	136	T&STL RR CO	371	8	42	1	4	42371

VOL. 39 PAGE 697

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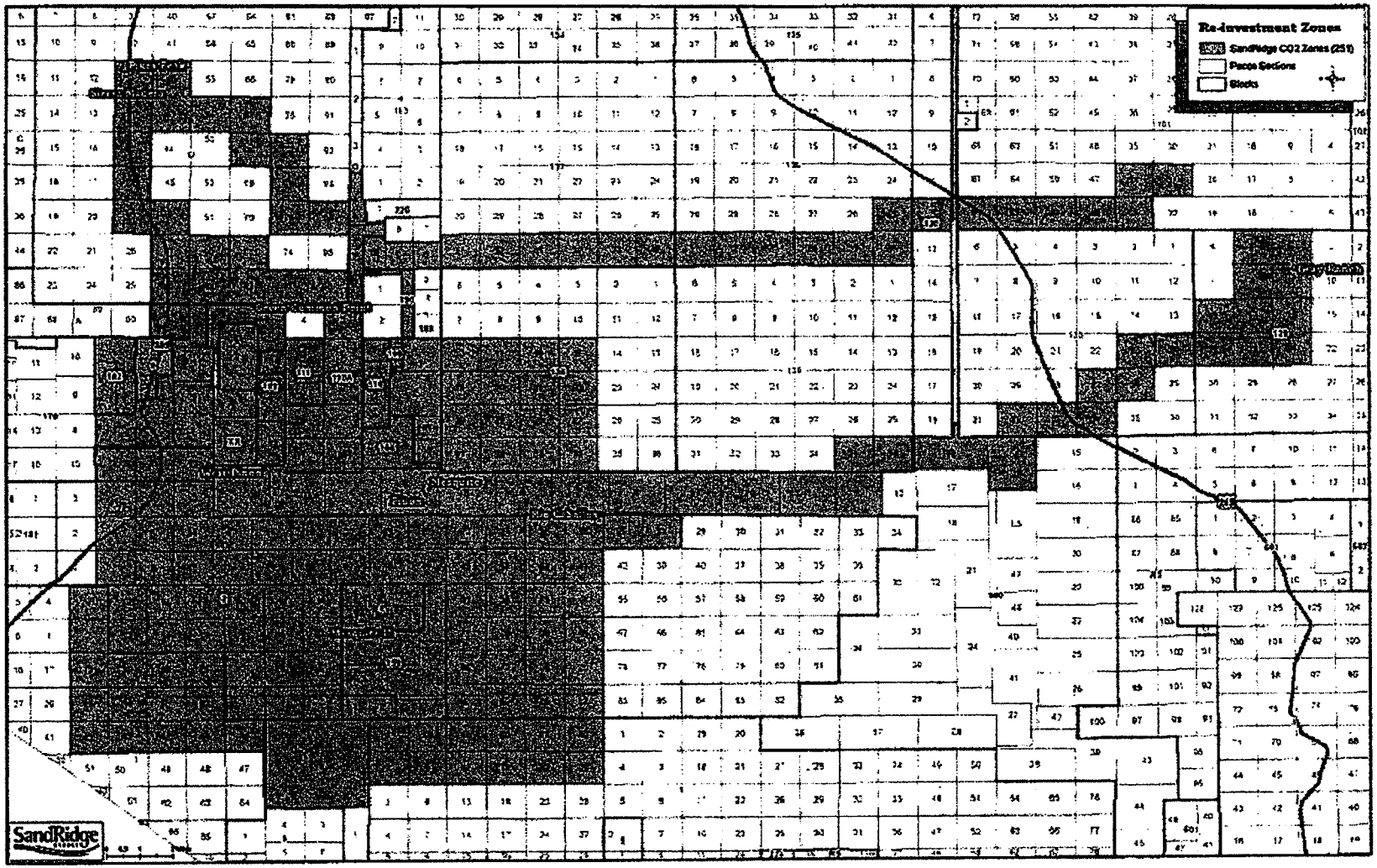
Re-investment Zones
SandRidge CO2 Zones (251)
Pecos Sections
Blocks
SandRidge

EXHIBIT 2

LOCATION OF QUALIFIED PROPERTY

All Qualified Property owned by Applicant and located within the boundaries of both the Fort Stockton Independent School District and SandRidge Energy Plant, Pikes Peak-Grey Ranch Reinvestment Zone will be included in and subject to this Agreement. Specifically all Qualified Property of Applicant located in the following sections of land is included, to wit:

SANDRIDGE ENERGY, INC.
PIKES PEAK - GREY RANCH
EXHIBIT A MAP DESCRIPTIONS

SECT	BLK	SURVEY	COUNTY	RRD	STATE	CLASS	TYPE	SCITY
7	2	H&TC RR CO	371	8	42	1	4	42371
4	4	H&TC RR CO	371	8	42	1	4	42371
1	1	H&TC RR CO	371	8	42	1	4	42371
30	1	H&TC RR CO	371	8	42	1	4	42371
11	2	H&TC RR CO	371	8	42	1	4	42371
6	182	TC RR CO	371	8	42	1	4	42371
10	2	TC RR CO	371	8	42	1	4	42371
13	2	TC RR CO	371	8	42	1	4	42371
18	2	TC RR CO	371	8	42	1	4	42371
26	2	TC RR CO	371	8	42	1	4	42371
20	1	GC&SF RR CO	371	8	42	1	4	42371
24	1	GC&SF RR CO	371	8	42	1	4	42371
68	D	GC&SF RR CO	371	8	42	1	4	42371
49	101	JV MASSEY	371	8	42	1	4	42371
9	600	MA CLAY	371	8	42	1	4	42371
34	101	MEP&P RR CO	371	8	42	1	4	42371
31	101	GC&SF RR CO	371	8	42	1	4	42371
6	Q	TC RR CO	371	8	42	1	4	42371
32	136	T&STL RR CO	371	8	42	1	4	42371
36	136	T&STL RR CO	371	8	42	1	4	42371
32	137	T&STL RR CO	371	8	42	1	4	42371
36	137	T&STL RR CO	371	8	42	1	4	42371
18	138	T&STL RR CO	371	8	42	1	4	42371
29	138	T&STL RR CO	371	8	42	1	4	42371
33	138	T&STL RR CO	371	8	42	1	4	42371
1	110	NICHOLAS I TALIAFERRO	371	8	42	1	4	42371
4	110	D&SE RR CO	371	8	42	1	4	42371
25	136	T&STL RR CO	371	8	42	1	4	42371
17	129	T&STL RR CO	371	8	42	1	4	42371
20	129	T&STL RR CO	371	8	42	1	4	42371
36	139	T&STL RR CO	371	8	42	1	4	42371
11	108	EL&RR RR CO	371	8	42	1	4	42371
12	108	EL&RR RR CO	371	8	42	1	4	42371
2	169	GH&SA RR CO	371	8	42	1	4	42371
75	2	TC RR CO	371	8	42	1	4	42371
80	2	TC RR CO	371	8	42	1	4	42371
3		A N SERGEANT	371	8	42	1	4	42371
8	110A	BS&F	371	8	42	1	4	42371
43	1	GC&SF RR CO	371	8	42	1	4	42371
41	2	TC RR CO	371	8	42	1	4	42371
43	2	TC RR CO	371	8	42	1	4	42371
44	2	TC RR CO	371	8	42	1	4	42371
48	2	TC RR CO	371	8	42	1	4	42371
62	2	TC RR CO	371	8	42	1	4	42371
70	2	TC RR CO	371	8	42	1	4	42371
34	130	T&STL RR CO	371	8	42	1	4	42371
3	170	TT RR CO	371	8	42	1	4	42371
6	129	T&STL RR CO	371	8	42	1	4	42371
9	129	T&STL RR CO	371	8	42	1	4	42371
23	130	T&STL RR CO	371	8	42	1	4	42371
27	130	T&STL RR CO	371	8	42	1	4	42371
48	1	GC&SF RR CO	371	8	42	1	4	42371
4	600	J N SIMS	371	8	42	1	4	42371
48	101	J POITEVENT	371	8	42	1	4	42371
2	600	JA DECKIE	371	8	42	1	4	42371
20	138	T&STL RR CO	371	8	42	1	4	42371
22	138	T&STL RR CO	371	8	42	1	4	42371

VOL. 39 PAGE 693

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SANDRIDGE ENERGY, INC.
PIKES PEAK - GREY RANCH
EXHIBIT A MAP DESCRIPTIONS

SECT	BLK	SURVEY	COUNTY	RRD	STATE	CLASS	TYPE	SICTY
27	138	T&STL RR CO	371	8	42	1	4	42371
28	138	T&STL RR CO	371	8	42	1	4	42371
30	138	T&STL RR CO	371	8	42	1	4	42371
31	138	T&STL RR CO	371	8	42	1	4	42371
32	138	T&STL RR CO	371	8	42	1	4	42371
34	138	T&STL RR CO	371	8	42	1	4	42371
2	182	TC RR CO	371	8	42	1	4	42371
3	182	TC RR CO	371	8	42	1	4	42371
4	182	TC RR CO	371	8	42	1	4	42371
6	182	TC RR CO	371	8	42	1	4	42371
11	2	TC RR CO	371	8	42	1	4	42371
12	2	TC RR CO	371	8	42	1	4	42371
14	2	TC RR CO	371	8	42	1	4	42371
15	2	TC RR CO	371	8	42	1	4	42371
16	2	TC RR CO	371	8	42	1	4	42371
17	2	TC RR CO	371	8	42	1	4	42371
19	2	TC RR CO	371	8	42	1	4	42371
20	2	TC RR CO	371	8	42	1	4	42371
22	2	TC RR CO	371	8	42	1	4	42371
23	2	TC RR CO	371	8	42	1	4	42371
4	2	TC RR CO	371	8	42	1	4	42371
45	2	TC RR CO	371	8	42	1	4	42371
46	2	TC RR CO	371	8	42	1	4	42371
47	2	TC RR CO	371	8	42	1	4	42371
49	2	TC RR CO	371	8	42	1	4	42371
5	2	TC RR CO	371	8	42	1	4	42371
50	2	TC RR CO	371	8	42	1	4	42371
51	2	TC RR CO	371	8	42	1	4	42371
53	2	TC RR CO	371	8	42	1	4	42371
5	110	J C FORBIS	371	8	42	1	4	42371
35	139	T&STL RR CO	371	8	42	1	4	42371
51	0	JACOB SCHELLHES	371	8	42	1	4	42371
24	2	TC RR CO	371	8	42	1	4	42371
25	2	TC RR CO	371	8	42	1	4	42371
27	2	TC RR CO	371	8	42	1	4	42371
28	2	TC RR CO	371	8	42	1	4	42371
11	1	H&TC RR CO	371	8	42	1	4	42371
12	1	H&TC RR CO	371	8	42	1	4	42371
19	1	H&TC RR CO	371	8	42	1	4	42371
2	1	H&TC RR CO	371	8	42	1	4	42371
20	1	H&TC RR CO	371	8	42	1	4	42371
1	159	GH&SA RR CO	371	8	42	1	4	42371
3	159	GH&SA RR CO	371	8	42	1	4	42371
4	159	GH&SA RR CO	371	8	42	1	4	42371
3	600	H C KINGSTON	371	8	42	1	4	42371
14	2	H&TC RR CO	371	8	42	1	4	42371
15	2	H&TC RR CO	371	8	42	1	4	42371
7	600	JM HOLBROOK	371	8	42	1	4	42371
10	600	JOHN FREEMAN	371	8	42	1	4	42371
3	111	JOHN H CHOAT	371	8	42	1	4	42371
14	600	NATHEN LAMBERT	371	8	42	1	4	42371
6	169	HM LARRILLARD	371	8	42	1	4	42371
1	600	HM RODMAN	371	8	42	1	4	42371
6	159	RB MCMICHAEL	371	8	42	1	4	42371
2	111	REUBEN DEWEYE	371	8	42	1	4	42371
2	170	TT RR CO	371	8	42	1	4	42371
2		SARAH HILL	371	8	42	1	4	42371

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PECOS COUNTY, TEXAS

SANDRIDGE ENERGY, INC.
PIKES PEAK - GREY RANCH
EXHIBIT A MAP DESCRIPTIONS

SECT	BLK	SURVEY	COUNTY	RRD	STATE	CLASS	TYPE	STCTY
1	108	SA&MG RR CO	371	8	42	1	4	42371
3	110A	SA&MG RR CO	371	8	42	1	4	42371
5	110A	SA&MG RR CO	371	8	42	1	4	42371
1	170	TT RR CO	371	8	42	1	4	42371
31	136	T&STL RR CO	371	8	42	1	4	42371
33	136	T&STL RR CO	371	8	42	1	4	42371
34	136	T&STL RR CO	371	8	42	1	4	42371
35	136	T&STL RR CO	371	8	42	1	4	42371
2	110	FRANCISCO GARCIA	371	8	42	1	4	42371
5	600	FRANCISCO PINA	371	8	42	1	4	42371
6	600	ELIJAH ROBERTS	371	8	42	1	4	42371
8	600	SS STUBBLEFIELD	371	8	42	1	4	42371
12	600	IA STOREY	371	8	42	1	4	42371
1	111	IRA WESTOVER	371	8	42	1	4	42371
31	137	T&STL RR CO	371	8	42	1	4	42371
33	137	T&STL RR CO	371	8	42	1	4	42371
34	137	T&STL RR CO	371	8	42	1	4	42371
35	137	T&STL RR CO	371	8	42	1	4	42371
15	138	T&STL RR CO	371	8	42	1	4	42371
16	138	T&STL RR CO	371	8	42	1	4	42371
17	138	T&STL RR CO	371	8	42	1	4	42371
4	170	TT RR CO	371	8	42	1	4	42371
5	170	TT RR CO	371	8	42	1	4	42371
6	170	TT RR CO	371	8	42	1	4	42371
7	170	TT RR CO	371	8	42	1	4	42371
1	182	TC RR CO	371	8	42	1	4	42371
19	138	T&STL RR CO	371	8	42	1	4	42371
1	XX	W G DARK	371	8	42	1	4	42371
18	1	GC&SF RR CO	371	8	42	1	4	42371
19	1	GC&SF RR CO	371	8	42	1	4	42371
2	1	GC&SF RR CO	371	8	42	1	4	42371
21	1	GC&SF RR CO	371	8	42	1	4	42371
22	1	GC&SF RR CO	371	8	42	1	4	42371
23	1	GC&SF RR CO	371	8	42	1	4	42371
25	1	GC&SF RR CO	371	8	42	1	4	42371
3	1	GC&SF RR CO	371	8	42	1	4	42371
42	1	GC&SF RR CO	371	8	42	1	4	42371
44	1	GC&SF RR CO	371	8	42	1	4	42371
45	1	GC&SF RR CO	371	8	42	1	4	42371
2		W C SUBLETT	371	8	42	1	4	42371
54	2	TC RR CO	371	8	42	1	4	42371
68	2	TC RR CO	371	8	42	1	4	42371
69	2	TC RR CO	371	8	42	1	4	42371
7	2	TC RR CO	371	8	42	1	4	42371
71	2	TC RR CO	371	8	42	1	4	42371
72	2	TC RR CO	371	8	42	1	4	42371
73	2	TC RR CO	371	8	42	1	4	42371
74	2	TC RR CO	371	8	42	1	4	42371
5	Q	TC RR CO	371	8	42	1	4	42371
8	2	TC RR CO	371	8	42	1	4	42371
65	101	AB&M	371	8	42	1	4	42371
66	101	AB&M	371	8	42	1	4	42371
87	2	TC RR CO	371	8	42	1	4	42371
88	2	TC RR CO	371	8	42	1	4	42371
89	2	TC RR CO	371	8	42	1	4	42371
9	2	TC RR CO	371	8	42	1	4	42371
10	108	D&P RR CO	371	8	42	1	4	42371

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PIKES PEAK - GREY RANCH
EXHIBIT A MAP DESCRIPTIONS

SECT	BLK	SURVEY	COUNTY	RRD	STATE	CLASS	TYPE	STCTY
8	108	D&P RR CO	371	8	42	1	4	42371
9	108	D&P RR CO	371	8	42	1	4	42371
3	110	D&SE RR CO	371	8	42	1	4	42371
100		THOMAS J HALL	371	8	42	1	4	42371
21	1	H&TC RR CO	371	8	42	1	4	42371
22	1	H&TC RR CO	371	8	42	1	4	42371
2	182	A I CLEMENTS	371	8	42	1	4	42371
2	600	B P SIMMONS	371	8	42	1	4	42371
11	600	C C BRYANT	371	8	42	1	4	42371
12	120	GC&SF RR CO	371	8	42	1	4	42371
1	2	H&TC RR CO	371	8	42	1	4	42371
10	2	H&TC RR CO	371	8	42	1	4	42371
12	2	H&TC RR CO	371	8	42	1	4	42371
13	2	H&TC RR CO	371	8	42	1	4	42371
16	129	T&STL RR CO	371	8	42	1	4	42371
18	129	T&STL RR CO	371	8	42	1	4	42371
19	129	T&STL RR CO	371	8	42	1	4	42371
43	D	GC&SF RR CO	371	8	42	1	4	42371
46	D	GC&SF RR CO	371	8	42	1	4	42371
47	D	GC&SF RR CO	371	8	42	1	4	42371
48	D	GC&SF RR CO	371	8	42	1	4	42371
33	101	MEP&P RR CO	371	8	42	1	4	42371
21	129	T&STL RR CO	371	8	42	1	4	42371
50	0	BENJAMEN NOBLE	371	8	42	1	4	42371
10	110A	BS&F	371	8	42	1	4	42371
7	110A	BS&F	371	8	42	1	4	42371
9	110A	BS&F	371	8	42	1	4	42371
27	D	GC&SF RR CO	371	8	42	1	4	42371
28	D	GC&SF RR CO	371	8	42	1	4	42371
29	D	GC&SF RR CO	371	8	42	1	4	42371
30	D.	GC&SF RR CO	371	8	42	1	4	42371
31	D	GC&SF RR CO	371	8	42	1	4	42371
4	129	T&STL RR CO	371	8	42	1	4	42371
8	129	T&STL RR CO	371	8	42	1	4	42371
24	130	T&STL RR CO	371	8	42	1	4	42371
26	130	T&STL RR CO	371	8	42	1	4	42371
32	130	T&STL RR CO	371	8	42	1	4	42371
33	130	T&STL RR CO	371	8	42	1	4	42371
42	D	GC&SF RR CO	371	8	42	1	4	42371
18	2	H&TC RR CO	371	8	42	1	4	42371
2	2	H&TC RR CO	371	8	42	1	4	42371
3	2	H&TC RR CO	371	8	42	1	4	42371
67	D	GC&SF RR CO	371	8	42	1	4	42371
71	D	GC&SF RR CO	371	8	42	1	4	42371
72	D	GC&SF RR CO	371	8	42	1	4	42371
73	D	GC&SF RR CO	371	8	42	1	4	42371
75	D	GC&SF RR CO	371	8	42	1	4	42371
76	D	GC&SF RR CO	371	8	42	1	4	42371
77	D	GC&SF RR CO	371	8	42	1	4	42371
1		MEP&P RR CO	371	8	42	1	4	42371
49	D	GC&SF RR CO	371	8	42	1	4	42371
50	D	GC&SF RR CO	371	8	42	1	4	42371
54	D	GC&SF RR CO	371	8	42	1	4	42371
4	2	H&TC RR CO	371	8	42	1	4	42371
5	2	H&TC RR CO	371	8	42	1	4	42371
6	2	H&TC RR CO	371	8	42	1	4	42371
8	2	H&TC RR CO	371	8	42	1	4	42371

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SANDRIDGE ENERGY, INC.
PIKES PEAK - GREY RANCH
EXHIBIT A MAP DESCRIPTIONS

SECT	BLK	SURVEY	COUNTY	NRD	STATE	CLASS	TYPE	STCTY
9	2	H&TC RR CO	371	8	42	1	4	42371
2	168	MRS J P MULLINS	371	8	42	1	4	42371
1	190	MRS JC LAWRENCE	371	8	42	1	4	42371
94	D	GC&SF RR CO	371	8	42	1	4	42371
1	3	H&TC RR CO	371	8	42	1	4	42371
2	3	H&TC RR CO	371	8	42	1	4	42371
4	Q	GC&SF RR CO	371	8	42	1	4	42371
1	4	H&TC RR CO	371	8	42	1	4	42371
2	4	H&TC RR CO	371	8	42	1	4	42371
3	4	H&TC RR CO	371	8	42	1	4	42371
5	4	H&TC RR CO	371	8	42	1	4	42371
6	4	H&TC RR CO	371	8	42	1	4	42371
2	108	HANNAH DONAHUE ALIAS ALEXANDER	371	8	42	1	4	42371
29	1	H&TC RR CO	371	8	42	1	4	42371
9	1	H&TC RR CO	371	8	42	1	4	42371
16	2	H&TC RR CO	371	8	42	1	4	42371
17	2	H&TC RR CO	371	8	42	1	4	42371
8	110A	SA&MG RR CO	371	8	42	1	4	42371
21	2	TC RR CO	371	8	42	1	4	42371
6	2	TC RR CO	371	8	42	1	4	42371
96	D	GC&SF RR CO	371	8	42	1	4	42371
10	1	H&TC RR CO	371	8	42	1	4	42371
21	138	T&STL RR CO	371	8	42	1	4	42371

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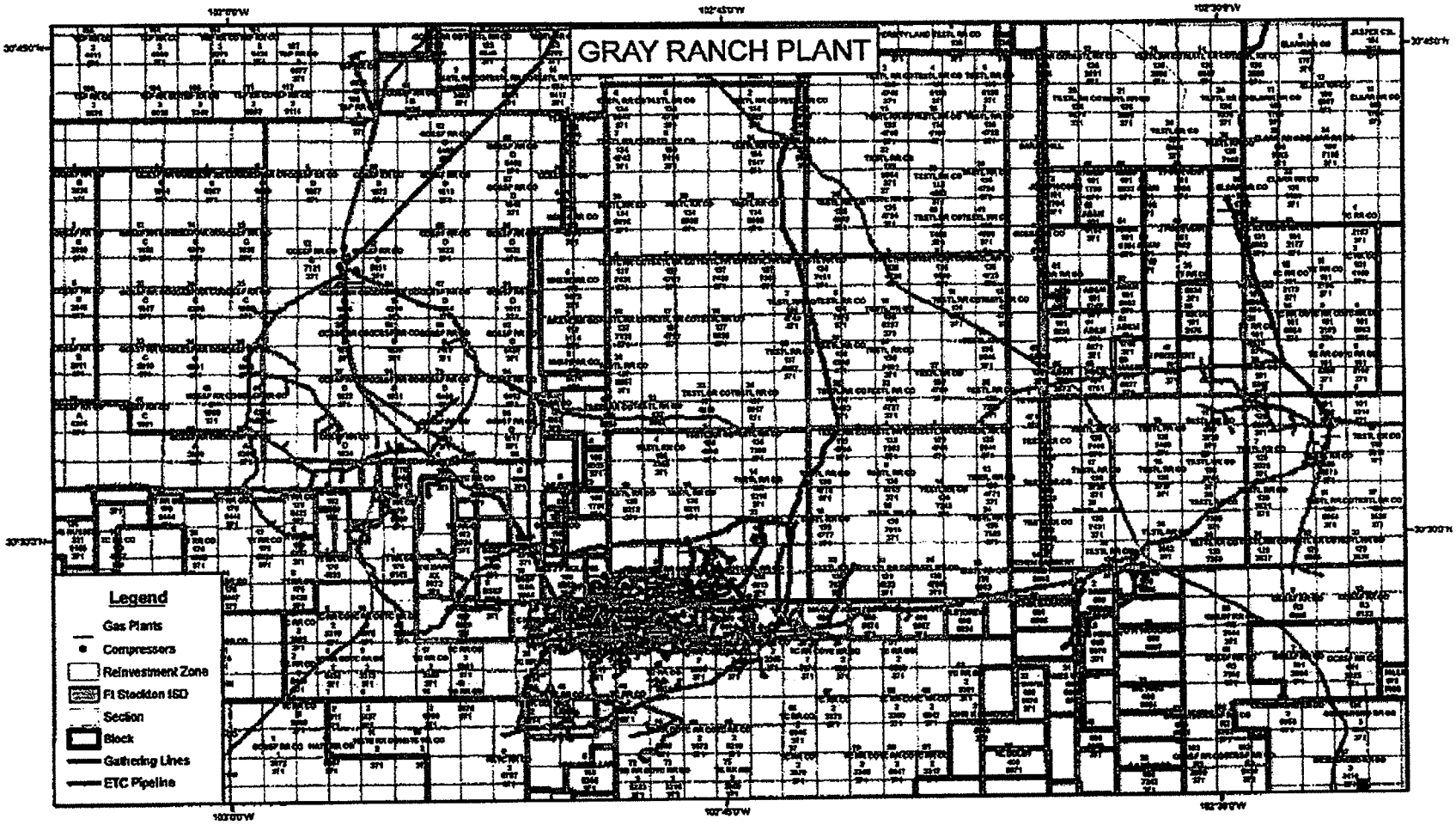
GRAY RANCH PLANT
Legend
Gas Plants
Compressers
Reinvestment Zone
Ft Stockton ISD
Section
Block
Gathering Lines
ETC Pipeline

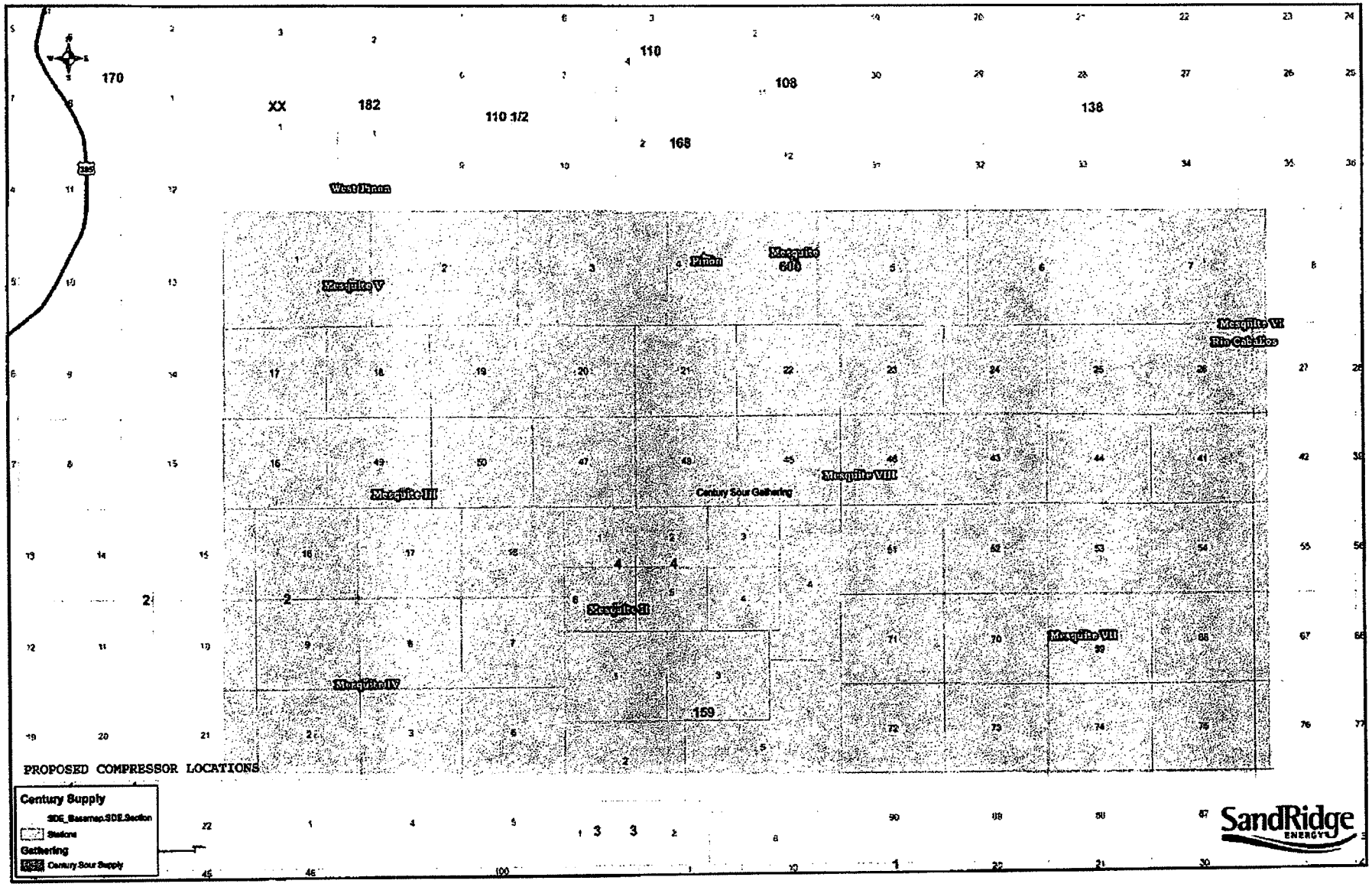
170
XX
182
110 1/2
110
108
168
138
West Piñon
Piñon
Mesquite 608
Mesquite V
Mesquite VI
Rio Colorado
Mesquite III
Mesquite VIII
Century Sour Gathering
Mesquite II
Mesquite VII
Mesquite IV
159
PROPOSED COMPRESSOR LOCATIONS
Century Supply
SDE_Basemap.SDE.Section
Stations
Gathering
Century Sour Supply
SandRidge
ENERGY

EXHIBIT 3

DESCRIPTION OF THE APPLICANT'S QUALIFIED INVESTMENT

The "Pikes Peak" proposed project will consist of an expansion to an existing gas treating plant. This expansion will include new treating vessels, piping, tanks, valves, and the addition of 1000 horsepower of gas compression.

The "Grey Ranch" proposed project will consist of an expansion to an existing gas treating plant which will be expanded as part of the Project. The expansion will add new treating vessels, piping, tanks, valves and the addition of over 3000 horsepower of gas compression.

Gas gathering lines and plant inlet pipelines: starting from the wellhead of specifically designated high-CO2 wells, through a collecting mainline, and ultimately into each of the three treatment plants. The pipelines will vary in diameter from 2 inches to 24 inches. The total length of these pipelines will be determined upon confirmation of the location of the gas wells that are expected to produce gas that is high in CO2 content.

Compression facilities and equipment: High-CO2 gas is compressed to regulate pressure for treatment prior to entering one of the three treatment facilities. Six compressor pre-treatment locations are planned to regulate and treat the high-CO2 gas flow into the Century plant. There is also one compression pre-treatment location planned to prepare the gas flow into the Grey Ranch plant. The key equipment at these sites will be the compressors, which are natural gas and electric powered and approximately 1500 horsepower each. Additional equipment at the compressor facilities will include dehydration facilities, piping, valves, tanks and a structure to house some of the equipment.

All of the property for which the Applicant is seeking a limitation on appraised value will be owned by the Applicant or a valid assignee pursuant to this Agreement. The facility will also require a relatively insubstantial amount of personal property.

Exhibit B

Description of the Grey Ranch Property

Attached is a copy of the Personal Property Description attached to the "Application" (as defined in the Agreement). The Grey Ranch Property is comprised of the items of property described as "Grey Ranch Gathering" and "Grey ranch Field Compression" on the attached Personal Property Description.

Personal Property Description

CO2 Separation Plant	Capacities MMSCFD		Investment	Pollution Control	Net Taxable	Location	Ownership
	Jun-08	Jun-11	$ (in Millions)	Investment	Value ($MM)	County	
Production Plant Total	*237*	*350*	*75.5*	*1.25*	$74.3	*Pecos*	*SandRidge*
Pipelines	**Diameter (in)**	**Distance (Miles)**	**$ (in Millions)**	**$ (in Millions)**	**$ (in Millions)**		
Grey Ranch Gathering	2" - 4"	TBD	$17.8	$0.0	$17.8	Pecos	Sandridge
High CO2 Plant Inlet (ETC #1 To Century)	24"	14	$20.2	$1.0	$19.2	Pecos	Sandridge
High CO2 Plant Inlet (ETC #2 To Century)	24"	14	$21.8	$1.1	$20.7	Pecos	Sandridge
High CO2 Well Gathering Piping	2" - 4"	TBD	$105.3	$0.0	$105.3	Pecos	Sandridge
Methane Product (Cent. To ETC)	*20"*	*12*	*$14.4*	*$0.7*	*$13.7*	*Pecos*	*Sandridge*
Pipeline Total			*$179.5*	*$2.8*	*$176.7*		
Compression	# stations	HP	**$ (in Millions)**	**$ (in Millions)**	**$ (in Millions)**		
Grey ranch Field Compression	1		$16.0	$0.5	$15.5	Pecos	Sandridge
High CO2 Field Compression (Century)	6		$96.0	$3.0	$93.0	Pecos	Sandridge
Compression Total	7		$112.0	$3.5	$108.5		
Total Application Investment			$367.00	$7.6	$359.4		