



**OIL AND GAS LEASE**  
(Paid-up)

AGREEMENT, made and entered into this 6th day of December, 2010 by and between:  
**Elton L. Cardwell and Mattie L. Cardwell, husband and wife**

**P.O. Box 295**  
**Lamont, OK 74643**

party of the first part, hereinafter called Lessor (whether one or more), and **SandRidge Exploration and Production, LLC**, 123 Robert S. Kerr Avenue, Oklahoma City, Oklahoma 73102, party of the second part, hereinafter called Lessee. WITNESSETH, that the said Lessor, for and in consideration of Ten Dollars, cash in hand paid, and other good and valuable consideration receipt of which is hereby acknowledged and of the covenants and agreements hereinafter contained on the part of Lessee to be paid, kept and performed, has granted, demised, leased and let and by these presents does grant, demise, lease and let unto the said Lessee, for the sole and exclusive right to explore by geophysical and other methods, for mining and operating for oil (including but not limited to distillate and condensate), gas (including casinghead gas and helium and all other constituents), and for laying pipelines, and building drill sites, access roads, tanks, power stations and structures thereon, to produce, save and take care of said products, all that certain tract of land, together with any reversionary rights therein, situated in the County of GRANT, State of Oklahoma, described as follows, to-wit:

E/2 of NW/4, and NE/4 of the SW/4 of Section 29, Township 26 North, Range 4 W.I.M., less the following tract of land: A tract of land in the NE/4 of SW/4 of Section 29, Township 26N, Range 4 W.I.M., bounded by the following lines: (Using the 1/2 section line between the NW/4 and the SW/4 of Section 29 as an East and West line) Beginning at a point on the West boundary of the NE/4 of SW/4 of Section 29, 269 feet South, 05 minutes West of the NW/4 corner of said NE/4 of SW/4 of said Section 29, thence South 89°56' East 967.3 feet, thence South 01° East 1047.4 feet to the boundary of said NE/4 of SW/4 of Section 29, 326 feet West of the SE corner of the NE/4 of SW/4 of said Section 29, thence West to the SW corner of the NE/4 of SW/4 of said Section 29, thence North along the West boundary of the NE/4 of SW/4 of said Section 29, Township 26N, Range 4 W.I.M., to the point of beginning, said tract containing 23 acres, more or less; all foregoing real estate located in Grant County, Oklahoma; containing 97 acres, more or less, according to the U.S. Government Survey thereof.

**SEE EXHIBIT "A" ATTACHED HERETO AND MADE AN INTEGRAL PART HEREOF**

of Section 29, Township 26N, Range 04W, and containing 97.000000 acres, more or less.

1. It is agreed that this lease shall remain in force for a term of THREE (3) years from date (herein called primary term) and so long thereafter as oil or gas, or either of them, is produced from said land or lands pooled therewith.

2. In consideration of the premises the said Lessee covenants and agrees:

A. To deliver to the credit of Lessor free of cost, in the pipeline to which it may connect its wells, a 3/16TH part of all oil (including but not limited to condensate and distillate) produced and saved from the leased premises.

B. To pay Lessor for gas (including casinghead gas) and all other substances covered hereby, a royalty of 3/16TH of the proceeds realized by Lessee from the sale thereof, less a proportionate part of production, severance and other excise taxes and the cost incurred by Lessee in processing, gathering, treating, compressing, dehydrating, transporting, and marketing, or otherwise making such gas or other substances ready for sale or use, said payments to be made monthly. At the expiration of the primary term hereof or any time thereafter, when gas is not being so sold or used and the well or wells are shut in and there is no current production of oil or operations on said leased premises sufficient to keep this lease in force, Lessee shall pay or tender a royalty of One Dollar (\$1.00) per year per net royalty acre retained hereunder, such payment or tender to be made, on or before the later of ninety (90) days following the date of shut in or the anniversary date of this lease during the period such well is shut in, to the Lessor. When such payment or tender is made it will be considered that gas is being produced within the meaning of the entire lease.

3. If, at the expiration of the primary term, there is no production in paying quantities on the leased land or on lands pooled therewith but Lessee is conducting operations for drilling, completing or reworking a well, this lease nevertheless shall continue as long as such operations are prosecuted or additional operations are commenced and prosecuted (whether on the same or successive wells) with no cessation of more than ninety (90) days, and if production is discovered, this lease shall continue as long thereafter as oil or gas are produced. In addition, if at any time or times after the primary term, there is a total cessation of all production, for any cause (other than an event of force majeure), this lease shall not terminate if Lessee commences or resumes any drilling or reworking operations or production within ninety (90) days after such cessation. Drilling operations or mining operations shall be deemed to be commenced when the first material is placed on the leased premises or when the first work other than surveying or staking the location is done thereon which is necessary for such operations.