

CONTINENTAL RESOURCES INC
Form DEF 14A
April 11, 2008

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to 240.14a-11 (c) or 240.14a-12

CONTINENTAL RESOURCES, INC.

(Name of Registrant as Specified in its Charter)

NOT APPLICABLE

(Name of Person(s) Filing Proxy Statement if Other Than Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

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1) Title of each class securities to which transaction applies:

2) Aggregate number of securities to which transaction applies:

3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11:

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1) Amount Previously Paid:

2) Form, Schedule or Registration Statement No:

3) Filing Party:

4) Date filed:

CONTINENTAL RESOURCES, INC.

302 N. Independence

Enid, Oklahoma 73701

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

TO BE HELD ON MAY 27, 2008

TO THE HOLDERS OF SHARES OF COMMON STOCK:

The 2008 Annual Meeting of Shareholders of Continental Resources, Inc. (the Company, we, or us) will be held at the Company's corporate office located at 302 N. Independence, Enid, Oklahoma on May 27, 2008, at 10 a.m., local time, for the following purposes:

1. To elect one (1) member to our Board of Directors (Board).
2. To ratify the selection of Grant Thornton LLP (Grant Thornton) as our independent registered public accounting firm.
3. To transact such other business as may properly be brought before the Annual Meeting or any adjournment thereof. The Annual Meeting may be recessed from time to time and, at any reconvened meeting, action with respect to the matters specified in this notice may be taken without further notice to shareholders unless required by the bylaws.

Shareholders of record of Common Stock at the close of business on April 10, 2008 are entitled to notice of, and to vote on all matters at the Annual Meeting. A list of all shareholders will be available for inspection at the Annual Meeting and, during normal business hours ten days prior thereto, at our offices, 302 N. Independence, Enid, Oklahoma.

BY THE ORDER OF THE BOARD OF DIRECTORS

/s/ Don Fischbach

Don Fischbach

Secretary

DATED: April 10, 2008

CONTINENTAL RESOURCES, INC.

PROXY STATEMENT ANNUAL MEETING OF SHAREHOLDERS

MAY 27, 2008

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PROXY STATEMENT

CONTINENTAL RESOURCES, INC.

302 N. Independence

Enid, Oklahoma 73701

2008 ANNUAL MEETING OF SHAREHOLDERS

QUESTIONS AND ANSWERS ABOUT THIS PROXY MATERIAL AND VOTING

When and where is the Annual Meeting?

Our 2008 Annual Meeting of Shareholders (Annual Meeting) will be held in the Ballroom at our corporate offices located at 302 N. Independence in Enid, Oklahoma, on May 27, 2008, at 10 a.m., local time.

Why am I receiving these materials?

We sent you this proxy statement and the enclosed proxy card because our Board is soliciting your proxy to vote at the Annual Meeting. You are invited to attend the Annual Meeting to vote on the proposals described in this proxy statement. However, you do not need to attend the meeting to vote your shares. Instead, you may simply complete, sign, and return the enclosed proxy card.

We intend to mail this proxy statement and accompanying proxy card on or about April 14, 2008 to all shareholders of record entitled to vote at the Annual Meeting.

Who can vote at the Annual Meeting?

The record date for determining shareholders entitled to notice of the Annual Meeting and to vote has been established as the close of business on April 10, 2008. On that date, we had 169,085,002 shares of Common Stock, par value \$.01 per share, outstanding and eligible to vote, exclusive of treasury stock.

Shareholder of Record: Shares Registered in Your Name

If on April 10, 2008 your shares were registered directly in your name with our transfer agent, American Stock Transfer & Trust Company, then you are a shareholder of record. As a shareholder of record, you may vote in person at the meeting or vote by proxy. Whether or not you plan to attend the meeting, we urge you to fill out and return the enclosed proxy card.

Beneficial Owner: Shares Registered in the Name of a Broker or Bank

If on April 10, 2008 your shares were held, not in your name, but rather in an account at a brokerage firm, bank, dealer, or other similar organization, then you are the beneficial owner of shares held in street name and these proxy materials are being forwarded to you by that organization. The organization holding your account is considered to be the shareholder of record for purposes of voting at the Annual Meeting. As a beneficial owner, you have the right to direct your broker or other agent on how to vote the shares in your account. You are also invited to attend the Annual Meeting. However, since you are not the shareholder of record, you may not vote your shares in person at the meeting unless you request and obtain a valid proxy from your broker or other agent.

What am I voting on?

There are two matters scheduled for a vote:

Election of one (1) director; and

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Ratification of Grant Thornton as our independent registered public accounting firm.

How do I vote?

You may either vote For a nominee to the Board or you may Withhold your vote for any nominee you specify. For each of the other matters to be voted on, you may vote For or Against or abstain from voting. The procedures for voting are as follows:

Shareholder of Record: Shares Registered in Your Name

If you are a shareholder of record, you may vote in person at the Annual Meeting or vote by proxy using the enclosed proxy card. Whether or not you plan to attend the meeting, we urge you to vote by proxy to ensure your vote is counted. You may still attend the meeting and vote in person if you have not already voted by proxy:

To vote in person, come to the Annual Meeting and we will give you a ballot when you arrive.

To vote using the proxy card, simply complete, sign, and date the enclosed proxy card and return it promptly in the envelope provided. If you return your signed proxy card to us before the Annual Meeting, we will vote your shares as you direct.

Beneficial Owner: Shares Registered in the Name of a Broker or Bank

If you are a beneficial owner of shares registered in the name of your broker, bank, or other agent, you should have received a proxy card and voting instructions with these proxy materials from that organization rather than from us. Simply complete and mail the proxy card to ensure that your vote is counted. To vote in person at the Annual Meeting, you must obtain a valid proxy from your broker, bank, or other agent. Follow the instructions from your broker or bank included with these proxy materials, or contact your broker or bank to request a proxy form.

How many votes do I have?

On each matter to be voted upon, you have one vote for each share of common stock you own as of April 10, 2008.

Who is paying for this proxy solicitation?

We will pay for the entire cost of soliciting proxies. In addition to these mailed proxy materials, our directors, employees, and agents may also solicit proxies in person, by telephone, or by other means of communication. Directors and employees will not be paid any additional compensation for soliciting proxies. We may also reimburse brokerage firms, banks, and other agents for the cost of forwarding proxy materials to beneficial owners.

What does it mean if I receive more than one proxy card?

If you receive more than one proxy card, your shares are registered in more than one name or are registered in different accounts. Please complete, sign, and return each proxy card to ensure that all of your shares are voted.

Can I change my vote after submitting my proxy?

Yes. You can revoke your proxy at any time before the final vote at the meeting. If you are the record holder of your shares, you may revoke your proxy in any one of three ways:

You may submit another properly completed proxy card with a later date.

You may send a written notice that you are revoking your proxy to Continental Resources, Inc., 302 N. Independence, Enid, Oklahoma 73701, Attention: Don Fischbach, Secretary.

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You may attend the Annual Meeting and vote in person. Simply attending the meeting will not, by itself, revoke your proxy.

If your shares are held by your broker or bank as a nominee or agent, you should follow the instructions provided by your broker or bank.

How are votes counted?

Votes will be counted by the inspector of election appointed for the meeting, who will separately count For and Withhold Authority for election of directors and, with respect to proposals other than the election of directors, Against votes, abstentions, and broker non-votes. Abstentions will be counted towards the vote total for each proposal, and will have the same effect as Against votes. Broker non-votes have no effect and will not be counted towards the vote total for any proposal.

If your shares are held by your broker as your nominee (that is, in street name), you will need to obtain a proxy form from the institution that holds your shares and follow the instructions included on that form regarding how to instruct your broker to vote your shares. If you do not give instructions to your broker, your broker can vote your shares with respect to discretionary items, but not with respect to non-discretionary items. Discretionary items are proposals considered routine under the rules of the New York Stock Exchange (NYSE) on which your broker may vote shares held in street name in the absence of your voting instructions. On non-discretionary items for which you do not give your broker instructions, the shares will be treated as broker non-votes.

Shares represented by proxies which are marked withhold authority with respect to the election of any one or more nominees for election as directors will be counted for the purpose of determining the number of shares represented by proxy at the meeting. Because directors are elected by a plurality rather than a majority of the shares present in person or represented by proxy at the Annual Meeting, proxies marked withhold authority with respect to any one or more nominee will not affect the outcome of the nominee's election unless the nominee receives no affirmative votes or unless other candidates are nominated for election as directors.

Shares represented by limited proxies will be treated as represented at the meeting only as to such matter or matters for which authority is granted in the limited proxy. Shares represented by proxies returned by brokers where the brokers' discretionary authority is limited by stock exchange rules will be treated as represented at the Annual Meeting only as to such matter or matters voted on in the proxies.

How many votes are needed to approve each proposal?

Directors will be elected by a plurality of the votes of holders of the shares present in person or represented by proxy at the Annual Meeting.

For the ratification of Grant Thornton as our independent registered public accounting firm, Proposal No. 2 must receive a For vote from the holders of a majority of shares present and entitled to vote either in person or by proxy. If you Abstain from voting, it will have the same effect as an Against vote. Broker non-votes will have no effect.

All other matters properly brought before the Annual Meeting will be decided by a majority of the votes cast on the matter, unless otherwise required by law.

What is the quorum requirement?

A quorum of shareholders is necessary to hold a valid meeting. A quorum will be present if at least a majority of the outstanding shares are represented by shareholders present at the meeting or by proxy. On the record date, there were 169,085,002 shares outstanding and entitled to vote. Therefore, 84,542,502 shares must be represented by shareholders present at the meeting or by proxy to have a quorum.

Your shares will be counted towards the quorum only if you submit a valid proxy (or one is submitted on your behalf by your broker, bank or other nominee), or if you vote in person at the meeting. Abstentions and broker non-votes will be counted towards the quorum requirement. If there is no quorum, a majority of the votes present at the meeting may adjourn the meeting to another date.

How can I find out the results of the voting at the Annual Meeting?

Preliminary voting results will be announced at the Annual Meeting. Final voting results will be published in our quarterly report on Form 10-Q for the second quarter of 2008.

PROPOSAL 1: ELECTION OF DIRECTORS**General**

Our Board currently consists of seven members. Jack H. Stark, a current director whose term expires at the Annual Meeting, is not standing for re-election. Our directors are divided into three classes serving staggered three-year terms. Class I, Class II and Class III directors will serve until our annual meetings of shareholders in 2008, 2009 and 2010, respectively. The Board has nominated and proposes that H.R. Sanders, Jr., whose term as a director expires as of the Annual Meeting of Shareholders for 2008, be re-elected for a three-year term as a director.

The election of a director requires the affirmative vote of the holders of a plurality of the shares of Common Stock voting in person or by proxy at the Annual Meeting. All proxies received by our Board will be voted, in the absence of instructions to the contrary, For the re-election of H.R. Sanders, Jr. to the Board.

Should the nominee for election to the Board be unable to serve for any reason, the Board may, unless the Board by resolution provides for a lesser number of directors, designate a substitute nominee in which event all proxies received without instructions will be voted for the election of such substitute nominee. However, to the best knowledge of our Board, the named nominee will serve if elected.

The Board recommends that the shareholders vote FOR the re-election of H.R. Sanders, Jr. to the Board.

The following is certain information about each of our directors:

Name	Age	Director Since	Existing Term Expires
Harold G. Hamm	62	1967	2010
Mark E. Monroe	53	2001	2009
Jack H. Stark	53	1998	2008
Robert J. Grant	69	2006	2009
George S. Littell	63	2004	2010
Lon McCain	60	2006	2009
H.R. Sanders, Jr.	76	2001	2008

Harold G. Hamm has served as Chief Executive Officer (CEO) and a director since our inception in 1967 and currently serves as Chairman of the Board. He serves as Chairman of the board of directors of the general partner of Hiland Partners LP, one of our affiliates and a NASDAQ publicly traded midstream master limited partnership, and he serves as Chairman of the board of directors of the general partner of Hiland Holdings GP, LP (Hiland Holdings), also publicly traded on NASDAQ. Hiland Holdings owns the general partner interest and units in Hiland Partners LP. Mr. Hamm also serves as a director of Complete Production Services, Inc., an NYSE publicly traded oil and gas service company. Mr. Hamm served as Chairman of the Oklahoma Independent Petroleum Association from June 2005 to June 2007. He was President of the National Stripper Well Association, founder and Chairman of Save Domestic Oil, Inc., and served on the board of the Oklahoma Energy Explorers.

Mark E. Monroe became President and Chief Operating Officer in October 2005 and has served as a member of our Board since November 2001. He was Chief Executive Officer and President of Louis Dreyfus Natural Gas

Corp. prior to its merger with Dominion Resources, Inc. in October 2001. After the merger, Mr. Monroe was a consultant and served as a member of the Board of Directors of Unit Corporation, a NYSE publicly traded onshore drilling and oil and gas exploration and production company from October 2003 through October 2005. Prior to the formation of Louis Dreyfus Natural Gas Corp. in 1990, he was Chief Financial Officer of Bogert Oil Company. He has served as Chairman of the Oklahoma Independent Petroleum Association, served on the Domestic Petroleum Council and the National Petroleum Council, and on the boards of the Independent Petroleum Association of America, the Oklahoma Energy Explorers, and the Petroleum Club of Oklahoma City. Mr. Monroe is a Certified Public Accountant and received his Bachelor of Business Administration degree from the University of Texas at Austin.

Jack H. Stark became Senior Vice President Exploration and a director in May 1998. Prior to joining us as Vice President of Exploration in June 1992, he was the exploration manager for the Western Mid-Continent Region for Pacific Enterprises. From 1978 to 1988, he held various staff and middle management positions with Cities Service Co. and TXO Production Corp. He is a member of the American Association of Petroleum Geologists, Oklahoma Independent Petroleum Association, Rocky Mountain Association of Geologists, Houston Geological Society, and Oklahoma Geological Society. Mr. Stark holds a Masters degree in Geology from Colorado State University. Currently a director, Mr. Stark will not be standing for re-election when his term expires in 2008. Mr. Stark will remain employed as our Senior Vice President Exploration.

Robert J. Grant has been a director since January 2006. He was an audit partner of Deloitte & Touche LLP and a predecessor firm from 1969 to 2000. He served as partner in charge of the Dallas, Texas office audit department for ten years and a member of the firm's audit management group for twelve years. He has been a member of the Independent Petroleum Association of America, the American Petroleum Institute, and the Texas Independent Producers and Royalty Owners Association, and currently is a member of the American Institute of Certified Public Accountants and the Texas Society of Certified Public Accountants. Mr. Grant graduated from the University of Detroit with an MBA and BA in accounting.

George S. Littell has been a director since November 2004. He is a partner in the firm of Groppe, Long & Littell, a petroleum consulting firm. Prior to joining the firm in 1975, he held various positions in the natural gas, refining, supply and distribution, and gas liquids departments of Mobil Oil Corporation. Mr. Littell received a Bronze Star for his service as an officer in the US Army, Vietnam in 1968-1969. He is a member of the International Association for Energy Economics, an Eagle Scout, and a director of the Sam Houston Area Council for the Boy Scouts of America. Mr. Littell graduated from Yale University in 1966, earned an MBA degree from New York University, and a law degree from La Salle Extension University.

Lon McCain has been a director since February 2006. He was Vice President, Treasurer, and Chief Financial Officer of Westport Resources Corporation, a publicly traded exploration and production company, from 2001 until the sale of Westport to Kerr McGee Corporation and his retirement in 2004. From 1992 until joining Westport in 2001, Mr. McCain was Senior Vice President and Principal of Petrie Parkman & Co., an investment banking firm specializing in the oil and gas industry. From 1978 until joining Petrie Parkman, Mr. McCain held senior financial management positions with Presidio Oil Company, Petro-Lewis Corporation, and Ceres Capital. He was an Adjunct Professor of Finance at the University of Denver from 1982 through 2005. Mr. McCain currently serves on the board of Crimson Exploration, Inc., a domestic exploration and production company traded on the OTC Bulletin Board, TransZap, Inc., a privately held provider of accounting software, and Cheniere Energy Partners, GP, LLC, the general partner of Cheniere Energy Partners, L.P., a publicly traded partnership. Mr. McCain received a Bachelor of Business Administration and a Masters of Business Administration/Finance from the University of Denver.

H.R. Sanders, Jr. has been a director since November 2001. He served as a board member of Devon Energy Corporation from 1981 through 2000. In addition, he held the position of Executive Vice President for Devon Energy from 1981 until his retirement in 1997. From 1970 to 1981, Mr. Sanders was a Senior Vice President for Republic Bank of Dallas, N.A. with direct responsibility for independent oil, gas, and mining loans. Mr. Sanders

is a former member of the Independent Petroleum Association of America, Texas Independent Producers and Royalty Owners Association, and Oklahoma Independent Petroleum Association, and a former director of Triton Energy Corporation. He currently serves on the board of Toredor Resources Corporation, a NASDAQ publicly traded oil and gas company with principal operations in France, Romania, and Turkey.

Corporate Governance Matters

We are considered to be a controlled company within the meaning of the listing standards of the NYSE because our Chairman and CEO, Harold G. Hamm, owns more than 50% of our outstanding shares of common stock. Consequently, we are not required to comply with certain of the New York Stock Exchange (NYSE) listed company requirements, such as the requirement to have a majority of independent directors on our Board, or the requirement to have compensation and nominating committees comprised entirely of independent directors. However, we are required to have an independent Audit Committee under the NYSE s listed company requirements. The Board uses the independence standards of the NYSE corporate governance rules for determining whether directors are independent. The Board additionally follows the rules of the Securities and Exchange Commission (SEC) in determining independence for Audit Committee members. The Board has determined that Messrs. Grant, Littell, McCain, and Sanders have no relationship with the Company other than as a director and shareholder of the Company and are independent under these NYSE and SEC rules for purposes of service on the Board and its committees. Members of each committee are elected annually by the Board and serve for one-year terms, or until their successors are elected and qualified.

The Board held 7 meetings during 2007 and acted by unanimous consent 2 times. During such year all directors listed above attended at least 75% of the meetings of the full Board and the committees on which they served.

We do not have a specific policy regarding Board member s attendance at annual meetings of shareholders. All directors plan to attend the Annual Meeting. All actions taken by the shareholders prior to our initial public offering in May 2007 were taken by unanimous consent.

The Board has established an Audit Committee currently consisting of Messrs. Grant, McCain, and Sanders, with Mr. Grant serving as the Chairman. The Board has determined that each of the Audit Committee members qualifies as a financial expert as defined by the rules of the SEC. The Audit Committee selects, and oversees our relationship with, our independent registered public accounting firm and reviews with the independent registered public accounting firm the scope and results of the annual audit. The Audit Committee also reviews financial statements and reports including Forms 10-K and Forms 10-Q, reviews all significant financial reporting issues and practices, and monitors internal control policies. This committee also establishes procedures for receipt, retention, and treatment of complaints received by us regarding accounting, internal accounting control or auditing matters, recommends and reviews our Code of Ethics, and reviews the performance of our internal audit function. In 2007, Mr. Grant, the committee chair, as representative of the Audit Committee, discussed the interim financial information contained in each quarterly earnings announcement with the CFO and independent auditors prior to public release. The Audit Committee held 13 meetings during 2007.

The Board has also established a Compensation Committee currently consisting of Messrs. Hamm, McCain, and Sanders, with Mr. Sanders acting as the Chairman. The principal functions of the Compensation Committee are to determine awards to employees of stock or other equity compensation, establish performance criteria for and evaluate the performance of the CEO, and approve compensation of senior executives. Because Mr. Hamm beneficially owns in excess of 50% of our outstanding shares of common stock and is our CEO, Mr. Hamm has a substantial amount of input and decision-making authority regarding the compensation of our other executive officers. During 2007, the Compensation Committee met 3 times.

If the Board so approves, the Compensation Committee has the sole authority to retain or terminate consultants, including the authority to approve the consultant s fees and other retention terms. The Compensation

Committee did not employ any consultants in 2007 other than Longnecker & Associates whose engagement is described in the Compensation Discussion and Analysis section herein.

Compensation Committee Interlocks and Insider Participation

As stated above, Messrs. Hamm, McCain, and Sanders were the members of our Compensation Committee in 2007. Mr. Hamm is a director and serves as our CEO and Chairman of the Board. Neither Mr. McCain nor Mr. Sanders has ever been an officer or employee of ours or any of our subsidiaries. Additionally, none of our executive officers serves on the compensation committee of any entity that has one or more of such entity's executive officers serving on our Board.

Corporate Governance Guidelines and Communications with the Board

We adopted Corporate Governance Guidelines and a Code of Ethics in accordance with the rules of the NYSE in May 2006. The Code of Business Conduct and Code of Ethics are applicable to all employees and directors, including our principal executive, financial, and accounting officers. In addition, each of the committees of the Board has a charter which has been approved by the Board. Copies of the Corporate Governance Guidelines, Code of Ethics, and committee charters are available at our website, www.contres.com. In addition, printed copies of these documents are available to any shareholder who requests them from our Secretary. We intend to disclose amendments to, or waivers from, our Code of Ethics by posting to our website.

Our Corporate Governance Guidelines require that the non-management directors meet in regularly scheduled executive sessions. Mr. Littell was selected by the Board to preside over such executive sessions.

Any shareholder, desiring to communicate with, or make any concerns known to us, directors generally, non-management directors or an individual director only, may do so by submitting them in writing to Continental Resources, Inc., Attn: Vice President of Investor Relations, 302 N. Independence, Enid, Oklahoma 73701, with information to identify the person submitting the communication or concern, including the name, address, telephone number, and an e-mail address (if applicable), together with information indicating the relationship of such person to us. Our Vice President of Investor Relations is responsible for maintaining a record of any such communications or concerns and submitting them to the appropriate addressee(s) for potential action or response. We will establish the authenticity of any communication or concern before forwarding. We are not obligated to investigate or forward any anonymous submissions from persons who are not our employees.

Because we are a controlled company under the listing standards of the NYSE, the Board has, for the time being, decided against establishing a nominating committee. Our Corporate Governance Guidelines state that the entire Board is responsible for assessing the skills and characteristics of board members and for screening potential board candidates. We do not have established criteria for the nomination of directors or any specific minimum qualifications or skills that a nominee or board member must have. Our Corporate Governance Guidelines provide that we shall seek nominees for directors that have personal integrity, leadership experience, and the ability and willingness to apply sound and independent judgment.

The process used by the Board for identifying and evaluating nominees for the Board consists of reviewing qualifications of candidates suggested by management, other board members, or shareholders. The Board will consider recommendations from shareholders for nomination as a Board member by any shareholder of the Company who is a shareholder of record at the time of giving of notice to the Company as provided in the Company's Bylaws and who shall be entitled to vote for the election of directors at the meeting and who complies with the notice procedures set forth in our Bylaws. Such nominations shall be made pursuant to timely notice in writing to the Company's Secretary. To be timely, a shareholder's notice shall be delivered to or mailed and received at our principal executive offices (i) with respect to an election of directors to be held at the annual meeting of the shareholders of the Company, not later than ninety (90) days or more than one hundred twenty (120) days prior to the anniversary date of the proxy statement for the immediately preceding annual meeting of

shareholders of the Company, provided, however, that if the date of the annual meeting is advanced more than thirty (30) days prior to or delayed by more than thirty (30) days after the anniversary of the preceding year's annual meeting, to be timely, a shareholder's notice must be so delivered not later than the close of business on the later of the ninetieth day prior to such annual meeting or the tenth day following the day on which public announcement of the date of such meeting is first made, and (ii) with respect to a special meeting of shareholders called for the purpose of electing one or more directors to the Board, not earlier than the ninetieth day prior to such special meeting and not later than the close of business on the later of the seventieth day prior to such special meeting or the tenth day following the day on which public announcement of the date of the special meeting is first made. Such shareholder's notice to the Secretary shall set forth (a) as to each person whom the shareholder proposes to nominate for election or re-election as a director, all information relating to the person that is required to be disclosed in solicitations for proxies for election of directors, or is otherwise required, pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended (including the written consent of such person to be named in the proxy statement as a nominee and to serve as a director if elected), and (b) as to the shareholder giving the notice (i) the name and address, as they appear on the Company's books, of such shareholder, and (ii) the class and number of shares of capital stock of the Company that are beneficially owned by the shareholder. There are no specific minimum qualifications for shareholder nominees. The Company has not previously received nominees from common shareholders and, accordingly, is unable to determine whether the process for evaluation of shareholder nominees differs from the process for evaluation of other nominees.

Director Compensation

The following table summarizes the compensation of directors in 2007:

Name	Fees Earned or Paid in Cash (\$)(1)	Stock Awards (\$)(2)	All Other Compensation (\$)(3)	Total (\$)
Harold G. Hamm				
Mark E Monroe				
Jack H. Stark				
Robert J. Grant	53,500	49,500	2,208	105,208
George S. Littell	37,000	49,500	2,208	88,708
Lon McCain	46,000	49,500	2,208	97,708
H.R. Sanders, Jr.	49,125	49,500	2,208	100,833

- (1) Our 2007 compensation for non-employee directors consisted of an annual retainer at a rate of \$25,000 until September 30 and \$40,000 thereafter in addition to the payment of \$1,500 for each regular Board meeting and \$750 for each special Board meeting attended. The chair of the Audit Committee was paid an additional annual retainer of \$10,000, the chair of the Compensation Committee was paid an additional annual retainer of \$2,500 until September 30 and \$5,000 thereafter and committee members other than the chairs of the committees were paid an additional annual retainer of \$1,000. Members of the Audit and Compensation committees also received a \$500 payment for each committee meeting attended.
- (2) The amounts in this column represent the dollar amount recognized for financial statement reporting purposes for fiscal year 2007 in accordance with FAS 123R Shared Based Payment for restricted stock awards. The amount recognized for financial statement reporting purposes is based on the grant date fair value of the awards, as modified for the price at which the initial public offering was declared effective, and the period upon which the awards vest. On January 9, 2007, 3,300 (after the split which occurred May 14, 2007) shares of restricted stock were granted each to Messrs. Grant, Littell, Sanders, and McCain to vest on January 1, 2008. On February 28, 2008, 10,000 shares of restricted stock were granted each to Messrs. Grant, Littell, McCain, and Sanders to vest ratably over three years.
- (3) Dividends paid on restricted stock.

In February 2008, the Board approved a common stock ownership requirement for non-employee directors. Each non-employee director is expected to own shares of our common stock with a market value equal to at least two times the base annual retainer.

Until the stock ownership guideline is achieved, each non-employee director is expected to retain 100% of the net shares received as a result of restricted shares granted under our 2005 Long-Term Incentive Plan (the 2005 Plan). Net shares are the number of shares that remain after shares are sold or withheld to pay withholding taxes. The calculation is determined as of each December 31 based upon the average closing price of the common stock for the year compared to the non-employee director's base annual retainer as of such date. Shares owned directly by, or held in trust for, the non-employee director or his or her immediate family members residing in the same household and unvested restricted shares are included in the calculation.

PROPOSAL 2: RATIFICATION OF SELECTION OF

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

General

The Audit Committee has directed us to submit the selection of our independent registered public accounting firm for ratification by the shareholders at the Annual Meeting. Neither our bylaws nor other governing documents or law require shareholder ratification of the selection of Grant Thornton as our independent registered public accounting firm. However, the Audit Committee is submitting the selection of Grant Thornton to the shareholders for ratification as a matter of good corporate practice. If the shareholders fail to ratify the selection, the Audit Committee will reconsider whether or not to retain that firm. Even if the selection is ratified, the Audit Committee may in its discretion direct the appointment of a different independent registered public accounting firm at any time during the year if it determines that such a change would be in our best interest and that of our shareholders.

*The Board recommends that the shareholders vote **FOR** the ratification of Grant Thornton as our independent registered public accounting firm for the year ending December 31, 2008.*

Audit Committee Report

In accordance with its written charter adopted by the Board, the Audit Committee of the Board assists the Board in fulfilling its responsibility for oversight of the quality and integrity of our accounting, auditing, and financial reporting practices. The Audit Committee's charter can be found in the Corporate Governance section of our website at www.contres.com. A printed copy of the charter will be made available to any shareholder who requests it from our Secretary.

The Audit Committee reviewed and discussed our audited financial statements as of and for the fiscal year ended December 31, 2007, with the independent auditors, with and without management present. Management has the primary responsibility for our financial statements and the overall reporting process, including assuring that we develop and maintain adequate financial controls and procedures and monitoring and assessing compliance with those controls and procedures, including internal control over financial reporting. Our independent auditors are responsible for auditing the annual financial statements prepared by management, expressing an opinion as to whether those financial statements fairly present our financial position, results of operations and cash flows in conformity with generally accepted accounting principles, and discussing with the Audit Committee any issues they believe should be raised.

In discharging its oversight responsibility as to the audit process, the Audit Committee obtained from the independent auditors a formal written statement describing all relationships between the auditors and us that might bear on the auditors' independence consistent with Independence Standards Board Standard No. 1, Independence Discussions with Audit Committees, discussed with the auditors any relationships that may

impact their objectivity and independence, and satisfied itself as to the auditors' independence. The Audit Committee also discussed with management and the independent auditors the quality and adequacy of our internal controls. The Audit Committee reviewed with the independent auditors their audit plans, audit scope, and identification of audit risks.

The Audit Committee discussed and reviewed with the independent auditors all communications required by generally accepted auditing standards, including those described in Statement on Auditing Standards No. 61, as amended, "Communication with Audit Committees."

Based on the above-mentioned review and discussions with management and the independent auditors, the Committee recommended to the Board that the audited financial statements of the Company be included in its Annual Report on Form 10-K for the fiscal year ended December 31, 2007, for filing with the Securities and Exchange Commission. The Audit Committee has approved reappointment of the independent auditors for 2008.

The preceding report is presented by the members of the Audit Committee.

/s/ Robert J. Grant Robert J. Grant Committee Chairman	/s/ Lon McCain Lon McCain Committee Member	/s/ H.R. Sanders, Jr. H.R. Sanders, Jr. Committee Member
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Audit and Other Fees

Grant Thornton served as our independent registered public accounting firm during 2007 and 2006. The aggregate fees billed by Grant Thornton for 2007 and 2006 for various services are set forth below:

	2007 (\$)	2006 (\$)
Audit Fees	534,378	371,148
Audit Related Fees		
Tax Fees		
All Other Fees		
Total Fees	534,378	371,148

Fees for audit services include fees associated with our annual consolidated audits, and the review of our quarterly reports on Form 10-Q. Audit fees also include amounts paid in connection with our initial public offering, as declared effective during May 2007, for services associated with the preparation of the comfort letters, and consents and assistance with and review of documents filed with the SEC during 2007 and 2006.

As necessary, the Audit Committee considers whether the provision of non-audit services by Grant Thornton is compatible with maintaining auditor independence and has adopted a policy that requires pre-approval of all audit and non-audit services. Such policy requires the Audit Committee to approve services and fees in advance and requires documentation regarding the specific services to be performed. All 2007 audit fees were approved in advance in accordance with the Audit Committee's policies.

EXECUTIVE COMPENSATION AND OTHER INFORMATION
Executive Officers

Our current executive officers are named below:

Name	Age	Position
Harold G. Hamm	62	Chairman of the Board and CEO
Mark E. Monroe	53	President and Chief Operating Officer
John D. Hart	40	Vice President, Chief Financial Officer, and Treasurer
Jeffrey B. Hume	56	Senior Vice President Operations
Tom E. Luttrell	50	Senior Vice President Land
Jack H. Stark	53	Senior Vice President Exploration
Gene R. Carlson	54	Vice President Resource Development
Richard H. Straeter	49	President Eastern Division

For a description of the business background and other information concerning Messrs. Hamm, Monroe, and Stark, see Election of Directors above.

John D. Hart became Vice President, Chief Financial Officer, and Treasurer in November 2005. Prior to joining us, he was a Senior Audit Manager with Ernst & Young LLP. Mr. Hart was employed by Ernst & Young LLP from April 1998 to November 2005 and by Arthur Andersen LLP from December 1991 to April 1998. He is a member of the American Institute of Certified Public Accountants, Oklahoma Society of Certified Public Accountants, and the Oklahoma Independent Petroleum Association. Mr. Hart graduated from Oklahoma State University with a Bachelor of Science in Accounting and Finance, and a Masters of Science in Accounting in 1991.

Jeffrey B. Hume became our Senior Vice President of Operations in November 2006. He was previously appointed as Senior Vice President of Resource and Business Development in October 2005, Senior Vice President of Resource Development in July 2002, and served as Vice President of Drilling Operations from 1996 to 2002. Prior to joining us in May 1983 as Vice President of Engineering and Operations, Mr. Hume held various engineering positions with Sun Oil Company, Monsanto Company, and FCD Oil Corporation. Mr. Hume is a Registered Professional Engineer and member of the Society of Petroleum Engineers, Oklahoma Independent Petroleum Association, and the Oklahoma and National Professional Engineering Societies. Mr. Hume graduated from Oklahoma State University with a Bachelor of Science degree in Petroleum Engineering Technology in 1975.

Tom E. Luttrell joined us as Senior Landman in April 1991 and was promoted to Senior Vice President Land in February 1997. Prior to joining us, Mr. Luttrell was a Senior Landman for Alexander Energy Corp. and Pacific Enterprises Oil Corp. Mr. Luttrell is currently a member of the Oklahoma Independent Petroleum Association legislative affairs committee. He is also a member of the Oklahoma Energy Explorers, American Association of Petroleum Landmen, and several regional landman associations. Mr. Luttrell graduated from East Central Oklahoma State University in 1980 with a Bachelor of Business Administration. Mr. Luttrell is a past Chairman of the Northern Alliance of Independent Producers.

Gene R Carlson became Vice President Resource Development in October 2005. He was an oil and gas consultant from March 2003 to October 2005 and a founder and Chief Operation Officer for Encore Acquisition Company from its inception in April 1998 to March 2003. Mr. Carlson graduated from Texas A&M University with a Bachelor of Science degree in Mechanical Engineering.

Richard H. Straeter became President Eastern Division in October 2006. He was previously appointed as President of Continental Resources of Illinois, Inc. (CRII) in April 2002. Prior to joining CRII, Mr. Straeter was employed by Barger Engineering, Inc. for 18 years as an engineering consultant and Vice President. He is a

Registered Professional Engineer in Indiana, Illinois, Kentucky, and Tennessee. Mr. Straeter is a past Chairman of the Illinois Basin Society of Petroleum Engineers and serves as a member of the National Petroleum Council, the Illinois Oil & Gas Association Board, and the Ohio, Indiana, Kentucky, and Michigan Oil and Gas Associations. Mr. Straeter earned his Bachelor of Science degree in Petroleum Engineering in 1983 and a Professional Engineering Degree (Honorary Masters) in 2004 from the University of Missouri-Rolla.

Compensation Discussion and Analysis

Overview

Prior to the completion of our initial public offering in May 2007, we operated as a private company controlled by Harold G. Hamm, our founder, principal shareholder, Chairman of the Board, and CEO. From our inception until the formation of the Compensation Committee in February 2006, Mr. Hamm had been solely responsible for reviewing and approving all compensation decisions relating to our executive officers. Mr. Hamm currently serves as a member of our Compensation Committee.

Compensation Committee

The Compensation Committee is currently responsible for implementing and administering all aspects of our benefit, compensation plans, and programs for our executive officers. The Compensation Committee annually reviews and determines the individual elements of total compensation of the named executive officers (NEOs) who appear in the compensation tables of this Proxy Statement. The Compensation Committee's charter can be found in the Corporate Governance section of our website at www.contres.com. A printed copy of the charter will be made available to any shareholder who requests it from our Secretary.

In 2007, the Compensation Committee retained the services of an independent compensation consulting firm, Longnecker & Associates. The firm reports directly to the Compensation Committee. During 2007, the consulting firm provided an analysis of market compensation based upon its review of compensation paid by exploration and production companies similar in revenues, total assets, and market capitalization to us. Longnecker & Associates has provided no other services for us other than the compensation study.

Compensation Objectives

We are engaged in oil and natural gas exploration and exploitation activities in the Rocky Mountain, Mid-Continent, and Gulf Coast regions of the United States. Our primary business goal is to increase shareholder value by finding and developing crude oil and natural gas reserves at costs that provide an attractive rate of return on our investment. We operate in a highly competitive environment for acquiring properties, marketing crude oil and natural gas, and securing trained personnel. We believe that the loss of t