

Senate Bill 374
Testimony of J. Roger Kelley
Continental Resources, Inc.
Senate Taxation Committee
March 10, 2015

SENATE TAX

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Continental Resources, Inc. (NYSE: CLR) is a Top 10 independent oil producer in the United States and a leader in America's energy renaissance. Based in Oklahoma City, Continental is the largest leaseholder and one of the largest producers in the nation's premier oil field, the Bakken play of North Dakota and Montana. The Company also has significant positions in Oklahoma, including its SCOOP Woodford and SCOOP Springer discoveries and the Northwest Cana play. With a focus on the exploration and production of oil (along with natural gas), Continental has unlocked the technology and resources vital to American energy independence and is a strong free market advocate in favor of lifting of the domestic crude oil export ban. In 2015, the Company will celebrate 48 years of operations.

In September of 2014, Continental developed and proposed its forecasted budget for 2015, based on the current and projected prices of oil. As these prices began to slip on the market, Continental was obliged to re-evaluate this budget. We reduced our total capital expenditure budget (CAPEX) by over \$2.0 billion. We also made changes in the placement of our CAPEX to maximize the usage of capital in the most business friendly environments. These changes were based on the value of the reserves, the cost of drilling, and the overall business environment. We have released over half of our drilling rigs in North Dakota and almost that many in our SCOOP and NW Cana plays and currently have no rigs running in Montana at this time.