April 21, 2020

Continental Resources, Inc. is requesting an immediate investigation by the Commodity Futures Trading Commission (CFTC) of WTI crude oil futures traded on the Chicago Mercantile Exchange (CME) for possible market manipulation, failed systems or computer programming failures in the WTI prompt month May (20), and oil futures contracts on the CME. Continental has also lodged a complaint with CME. As shown below, the unprecedented, historical event of WTI crude oil trading at negative prices for the first time in history and the circumstances surrounding the trading shows the system failed, negatively impacting a significant part of the American economy. Not only did WTI crude futures trade negative, they settled at a bizarre minus $37.63.

The WTI prompt month May (20) contract price settled at $18.27 per barrel on April 17, 2020. On April 20, 2020, the WTI prompt month May (20) crude oil contracts closed down $55.90 or 306% at a minus $37.63 per barrel. Notably the CME chose to announce on April 8, 2020 that it had been testing plans to support the possibility of negative options such that if any month, WTI oil futures settle at a price between $8.00 and $11.00 a barrel that it could switch to a different pricing model that would allow for negative pricing.

Specifically, the CME stated:

> **"If WTI Crude Oil futures prices settle, in any month, to a price between $8.00 /bbl And $11.00/bbl, CME Clearing may switch its pricing and margining options models from the existing models to the Bachelier model, currently utilized in numerous spread options products where negative underlying prices and strike levels are a regular occurrence. If any WTI Crude Oil futures prices settle, in any month, to a level below $8.00/bbl, CME Clearing will move to the Bachelier model for all WTI Crude oil options contracts as well as all related crude oil options contracts effective the following trade date. CME Clearing will send out an advisory notice with one day notice before any implementation occurs with all appropriate details."**

At approximately 10:50 a.m. on April 20, 2020, the CME reiterated that WTI futures can trade negative which sent the May contract plummeting to approximately $4.00 a barrel. Trading volume was low prior to the CME announcement but became more active after the announcement. Prior to the CME's announcement regarding negative settlements, the contract was trading positive. The WTI futures price for the May contract remained positive until approximately 1:08 p.m. CDT when it began dripping precipitously almost $40.00 in the last 22 minutes of trading. The price dropped approximately $25.00 a barrel in a 3 minute span between 1:24 p.m. and 1:27 p.m. CDT.

As noted, this is the first time in history the WTI crude oil price settled below zero with most, if not all of the price decline occurring in the last 22 minutes of trading. This fact, combined with 1) the CME's unusual announcement only hours earlier, 2) the sudden change in computer models during a time of increased volatility to the Bachelier computer model, 3) the $40.00 drop in the last 22 minutes with a $25.00 drop in a 3-minute span just before trading closed to settle is unprecedented, historical and materially impacts the Calendar Monthly Average (CMA) pricing of the physical barrel and strongly raises he suspicion of market manipulation or a flawed new computer model. The sanctity and trust in the oil and all commodity futures markets are at issue as the system failed miserably and an immediate investigation is requested and, we submit, is required.

In addition to a review of practices at the CME, we strongly urge the market to change to a daily weighted average price to reflect the trading value experienced throughout the trade month.

Sincerely,

Harold Hamm
Executive Chairman
Continental Resources, Inc.