

Complete Production Services, Inc.

Form DEF 14A

April 18, 2011

**Table of Contents**

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**SCHEDULE 14A  
PROXY STATEMENT PURSUANT TO SECTION 14(A) OF THE SECURITIES EXCHANGE ACT OF 1934  
(Amendment No. )**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
  
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

**COMPLETE PRODUCTION SERVICES, INC.**

(Name of Registrant as Specified in its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

1) Title of each class of 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  
(Set forth the amount on which the filing fee is calculated and state how it was determined):

4) Proposed maximum aggregate value of transaction:

5) Total fee paid:

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

1) Amount Previously Paid:

2) Form, Schedule or Registration Statement No.:

3) Filing Party:

4) Date Filed:

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**Table of Contents**

April 18, 2011

Dear Stockholder:

You are invited to attend the annual meeting of stockholders of Complete Production Services, Inc. to be held on May 25, 2011, at 9:00 a.m. local time, at The St. Regis Houston, 1919 Briar Oaks Lane, Houston, Texas 77027.

At this year's annual meeting you will be asked to: (i) elect three directors to serve for a three-year term; (ii) ratify the selection of our independent registered public accountants; (iii) hold an advisory vote on the compensation of our named executive officers; (iv) hold an advisory vote on the frequency of future advisory votes on the compensation of our named executive officers; and (v) transact such other business as may properly come before the annual meeting. The accompanying Notice of Meeting and Proxy Statement describe these matters. We urge you to read this information carefully.

Your board unanimously believes that (i) election of its nominees for directors, (ii) ratification of the Audit Committee's selection of independent registered public accountants, (iii) shareholder approval of the compensation of our named executive officers, as described in this Proxy Statement, and (iv) shareholder approval of holding an annual vote to approve the compensation of our named executive officers, each as described in the accompanying proxy statement, are in the best interests of Complete Production Services, Inc. and its stockholders, and, accordingly, recommends a vote **FOR** election of each of the three nominees for directors, **FOR** the ratification of the selection of Grant Thornton LLP as our independent registered public accountants, **FOR** the approval of the compensation of our named executive officers, as described in the accompanying proxy statement, and **FOR** the approval of an annual vote to approve the compensation of our named executive officers. If your shares are held of record by a broker, bank or other nominee, such nominee will NOT be able to vote your shares with respect to the following matters if you have not provided instructions to your broker, bank or other nominee: the election of directors, the advisory vote to approve the compensation of our named executive officers and the advisory vote to approve the frequency of future votes to approve the compensation of our named executive officers. **We strongly encourage you to submit your proxy card or voting instruction form and exercise your right to vote as a stockholder.**

In addition to the business to be transacted as described above, management will speak on our developments of the past year and respond to comments and questions of general interest to stockholders.

It is important that your shares be represented and voted whether or not you plan to attend the annual meeting in person. If you receive a proxy card, you may vote by telephone, on the Internet or by completing and mailing the enclosed proxy card. If you receive a voting instruction form from your broker or bank, follow the instructions on the form to vote your shares. Certain brokers permit voting over the telephone or on the Internet. Voting over the Internet, by telephone or by written proxy or voting instruction form will ensure your shares are represented at the annual meeting. **Your vote is important!**

Sincerely,

James F. Maroney  
*Vice President, Secretary and General Counsel*

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**Table of Contents**

**COMPLETE PRODUCTION SERVICES, INC.  
11700 Katy Freeway, Suite 300  
Houston, Texas 77079**

**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS  
TO BE HELD ON MAY 25, 2011**

We will hold our annual meeting of stockholders at The St. Regis Houston, 1919 Briar Oaks Lane, Houston, Texas 77027, on May 25, 2011, at 9:00 a.m. local time, for the following purposes:

1. To elect Robert S. Boswell, Michael McShane, and Marcus A. Watts as directors with a three-year term expiring at the 2014 annual meeting of stockholders and until their successors are duly elected and qualified or until their earlier resignation or removal.
2. To ratify the selection of Grant Thornton LLP as our independent registered public accountants for the fiscal year ending December 31, 2011.
3. To hold an advisory vote on the compensation of our named executive officers as presented in this Proxy Statement.
4. To hold an advisory vote on the frequency of future advisory votes on the compensation of our named executive officers.
5. To transact any other business as may properly come before the annual meeting or any adjournments or postponements of the annual meeting.

These items of business are described in the attached proxy statement. Only our stockholders of record at the close of business on April 11, 2011, the record date for the annual meeting, are entitled to notice of and to vote at the annual meeting and any adjournments or postponements of the annual meeting.

A list of stockholders eligible to vote at our annual meeting will be available for inspection at the annual meeting, and at our executive offices during regular business hours for a period of no less than ten days prior to the annual meeting.

**Your vote is very important.** It is important that your shares be represented and voted whether or not you plan to attend the annual meeting in person. You may vote by completing and mailing the enclosed proxy card or voting instruction form, or by submitting a proxy over the Internet or by telephone, as indicated on the enclosed proxy card or the voting instruction form. Submitting a proxy over the Internet, by telephone or by mailing the enclosed proxy card or voting instruction form will ensure your shares are represented at the annual meeting.

By Order of the Board of Directors,

James F. Maroney  
Vice President, Secretary and General Counsel  
Complete Production Services, Inc.

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**TABLE OF CONTENTS**

	<b>Page</b>
<u>INFORMATION CONCERNING VOTING AND SOLICITATION</u>	1
<u>General</u>	1
<u>Who Can Vote</u>	1
<u>Voting of Shares</u>	1
<u>Voting in Person</u>	2
<u>Revocation of Proxy</u>	3
<u>Quorum and Votes Required</u>	3
<u>Solicitation of Proxies</u>	4
<u>Assistance</u>	4
<u>ITEM 1: ELECTION OF DIRECTORS</u>	4
<u>Board Structure</u>	4
<u>Board Nominees</u>	4
<u>Executive Officers</u>	9
<u>CORPORATE GOVERNANCE</u>	10
<u>Risk Oversight</u>	12
<u>Board and Committee Independence</u>	12
<u>Board Meetings</u>	13
<u>Board Committees</u>	13
<u>Communication with the Board</u>	15
<u>Compensation of Directors</u>	16
<u>Director Compensation Table</u>	16
<u>ITEM 2: RATIFICATION OF SELECTION OF INDEPENDENT REGISTERED PUBLIC</u>	
<u>ACCOUNTANTS</u>	18
<u>SECURITY OWNERSHIP OF DIRECTORS AND EXECUTIVE OFFICERS AND CERTAIN</u>	
<u>BENEFICIAL OWNERS</u>	19
<u>EQUITY COMPENSATION PLAN INFORMATION TABLE</u>	21
<u>EXECUTIVE COMPENSATION</u>	21
<u>Compensation Discussion and Analysis</u>	21
<u>Summary Compensation Table</u>	37
<u>Grants of Plan-Based Awards</u>	39
<u>Outstanding Equity Awards at Fiscal Year End</u>	41
<u>Option Exercises and Stock Vested</u>	42
<u>Nonqualified Deferred Compensation Plan</u>	43
<u>Potential Payments Upon Termination or Change of Control</u>	44
<u>Compensation Risk Assessment</u>	48
<u>Compensation Committee Report</u>	49
<u>Audit Committee Report</u>	49
<u>Independent Registered Public Accountants</u>	50
<u>ITEM 3: ADVISORY VOTE ON THE COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS</u>	51
<u>ITEM 4: ADVISORY VOTE ON THE FREQUENCY OF FUTURE ADVISORY VOTES ON THE</u>	
<u>COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS</u>	53
<u>CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS</u>	54
<u>Related Person Transactions Policy and Procedures</u>	54

<u>Related Person Transactions</u>	54
<u>OTHER MATTERS</u>	55
<u>Section 16(a) Beneficial Ownership Reporting Compliance</u>	55
<u>Stockholder Proposals and Nominations</u>	55
<u>Householding of Proxy Materials</u>	56
<u>Incorporation by Reference</u>	56

**Table of Contents**

**PROXY STATEMENT**

**INFORMATION CONCERNING VOTING AND SOLICITATION**

**General**

Your proxy is solicited on behalf of the board (the board) of Complete Production Services, Inc., a Delaware corporation ( Complete Production Services, we, our or us ), for use at the 2011 annual meeting of stockholders to be held on Wednesday, May 25, 2011, at 9:00 a.m. local time, at The St. Regis Houston, 1919 Briar Oaks Lane, Houston, Texas 77027, or at any continuation, postponement or adjournment thereof, for the purposes discussed in this proxy statement and in the accompanying notice of annual meeting and any business properly brought before the annual meeting. Directions to the 2011 annual meeting can be viewed at [www.completeproduction.com/fin-reports](http://www.completeproduction.com/fin-reports). Proxies are solicited to give all stockholders of record an opportunity to vote on matters properly presented at the annual meeting.

We intend to mail this proxy statement and accompanying proxy card on or about April 18, 2011 to all stockholders entitled to vote at the annual meeting.

**Important Notice Regarding the Availability of Proxy Materials for the 2011 Stockholder Meeting to Be Held on May 25, 2011**

**This proxy statement, our 2010 annual report and a sample proxy card are available at: [www.completeproduction.com/fin-reports](http://www.completeproduction.com/fin-reports)<sup>(1)</sup>. You are encouraged to access and review all of the important information contained in the proxy materials before submitting a proxy or voting at the annual meeting.**

**Who Can Vote**

You are entitled to vote if you were a stockholder of record of our common stock as of the close of business on April 11, 2011. You are entitled to one vote for each share of common stock held on all matters to be voted upon at the annual meeting. Your shares may be voted at the annual meeting only if you are present in person or represented by a valid proxy.

**Voting of Shares**

You may vote by attending the annual meeting and voting in person or you may vote by submitting a proxy. The method of voting by proxy differs depending on whether you hold your shares as a record holder or in street name. If you hold your shares of common stock as a record holder, you may vote by completing, dating and signing the proxy card that was included with the proxy statement and promptly returning it in the preaddressed, postage paid envelope provided to you, or by submitting a proxy over the Internet or by telephone by following the instructions on the proxy card. The Internet and telephone voting facilities available to record holders will close at 12:00 p.m. Central time on May 24, 2011.

Your shares are said to be held in street name if they are held in a stock brokerage account or by a bank, trust or other nominee, in which case the broker, bank, trust or other nominee is considered to be the stockholder of record with respect to such shares. Even if your shares are held in street name, you are still considered the beneficial owner of those shares, and you will receive a voting instruction form from your broker, bank or other nominee that includes instructions on how to vote your shares by mail. Your broker, bank or nominee may allow you to deliver your voting



instructions over the Internet and may also permit you to submit voting instructions by telephone. Your voting instruction form will contain the details of any permitted Internet or telephonic voting.

*(1) This website, wherever referenced in this proxy statement, is not intended to function as a hyperlink and the information contained on our website is not intended to be part of this proxy statement.*

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## **Table of Contents**

**Important note:** If you hold some of your shares of record and other shares through a broker, you will receive a proxy card covering the shares of record and a separate voting instruction form with respect to the shares held through a broker. You will need to submit two proxies (the proxy card for your shares of record, and voting instruction form for your shares held through a broker, bank or other nominee) to ensure that all of your shares are voted.

If you vote through the Internet, you should be aware that you may incur costs to access the Internet, such as usage charges from telephone companies or Internet service providers and that these costs must be borne by you. If you vote by Internet or telephone, then you need not return a written proxy card by mail.

Your vote is very important. You should vote by submitting your proxy or voting instructions even if you plan to attend the annual meeting in person.

### ***If You Do Not Specify How You Want Your Shares Voted***

If you are a stockholder of record and you submit your properly signed proxy but do not specify how you want your shares voted on a proposal, the proxy holder will vote your shares:

**FOR** the election of each of the three nominees listed in this proxy to serve on our board for a term expiring at the 2014 annual meeting of stockholders;

**FOR** the ratification of the selection of Grant Thornton LLP as our independent registered public accountants for the fiscal year ending December 31, 2011;

**FOR** the approval, on an advisory basis, of the compensation of our named executive officers, as described in this Proxy Statement (the "say on pay advisory vote"); and

**FOR** holding an advisory vote to approve the compensation of our named executive officers **annually** (the "frequency advisory vote").

In their discretion, the proxy holders named in the proxy are authorized to vote on any other matters that may properly come before the annual meeting and at any continuation, postponement or adjournment thereof. The board knows of no other items of business that will be presented for consideration at the annual meeting other than those described in this proxy statement.

If your shares are held in "street name" through a broker, bank or other nominee, your broker will vote your shares in accordance with your voting instructions. If you do not provide voting instructions to your broker your broker has discretionary authority to vote your shares on certain routine matters. Broker non-votes occur when your broker, bank or other nominee has not received voting instructions from you and does not have discretionary authority to vote your shares on a particular proposal or matter. The effect of a broker non-vote is that your shares will not be voted on any proposal or matter on which your broker or other nominee does not have discretionary authority to vote. Shares that constitute broker non-votes will be counted as present at the annual meeting for the purpose of determining a quorum, but will not be considered entitled to vote on the proposal in question.

Brokers generally have discretionary authority to vote on the ratification of the selection of Grant Thornton LLP as our independent registered public accountants. Brokers, however, do not have discretionary authority to vote on the election of directors, say on pay advisory vote or the frequency advisory vote. We strongly encourage you to submit your voting instruction card and exercise your right to vote as a stockholder on these important proposals.

## **Voting in Person**

If you are a stockholder of record and plan to attend the annual meeting and wish to vote in person, a ballot will be available upon request at the annual meeting. Please note, however, that if your shares are held in street name, which means your shares are held of record by a broker, bank or other nominee, and you wish to vote in person at the annual meeting, you must bring to the annual meeting a legal proxy from the record holder of the shares (your broker or other nominee) authorizing you to vote at the annual meeting.

## **Table of Contents**

### **Revocation of Proxy**

If you are a stockholder of record, you may revoke your proxy at any time before your proxy is voted at the annual meeting by taking any of the following actions:

delivering to our corporate secretary a signed written notice of revocation, bearing a date later than the date of the proxy, stating that the proxy is revoked;

signing and delivering a new proxy, relating to the same shares and bearing a later date than the original proxy;

submitting another proxy by telephone or over the Internet (your latest telephone or Internet voting instructions are followed); or

attending the annual meeting and voting in person, although attendance at the annual meeting will not, by itself, revoke a proxy.

Written notices of revocation and other communications with respect to the revocation of proxies should be addressed to:

Complete Production Services, Inc.  
11700 Katy Freeway, Suite 300  
Houston, Texas 77079  
Attn: Secretary

If your shares are held in street name by a broker or other nominee, you may change your vote by submitting new voting instructions to your broker, bank or other nominee. You must contact your broker, bank or other nominee to find out how to do so.

### **Quorum and Votes Required**

At the close of business on April 11, 2011, 78,902,708 shares of our common stock were outstanding and entitled to vote. All votes will be tabulated by the inspector of election appointed for the annual meeting.

A majority of the outstanding shares of common stock present in person or represented by proxy will constitute a quorum at the annual meeting. Shares of common stock held by persons attending the annual meeting but not voting, shares represented by proxies that reflect abstentions as to a particular proposal and broker non-votes will be counted as present for purposes of determining a quorum.

Stockholder approval of each proposal requires the following votes:

For **Item 1 Election of Directors**, directors will be elected by a plurality of the votes cast. Thus, the three nominees receiving the greatest votes will be elected. As a result, abstentions will not be counted in determining which nominees received the largest number of votes cast. Brokers do not have discretionary authority to vote on the election of directors. Broker non-votes will not affect the outcome of the election of directors because brokers are not able to cast their votes on this proposal.

For **Item 2 Ratification of Selection of Independent Registered Public Accounting Firm**, the affirmative vote of a majority of the voting power of all outstanding shares of the Company represented in person or by proxy at the annual meeting and entitled to vote is required for the ratification of the selection of Grant Thornton LLP as our independent registered public accountants for the fiscal year ending December 31, 2011. Abstentions will have the same effect as votes against this proposal. Brokers generally have discretionary authority to vote on the ratification of our independent registered public accountants, thus broker non-votes are generally not expected to result from the vote on Item 2. Any broker non-votes that may result will not affect the outcome of this proposal.

For **Item 3 Say on Pay Advisory Vote**, the affirmative vote of a majority of the voting power of all outstanding shares of the Company represented in person or by proxy at the annual meeting and entitled to vote is required for approval of the say on pay advisory vote. The approval of Item 3 is a non-routine proposal on which a broker or other nominee does not have discretion to vote any

## **Table of Contents**

uninstructed shares. Abstentions will have the same effect as votes against this proposal. Any broker non-votes that may result will not affect the outcome of this proposal.

For **Item 4 Frequency Advisory Vote**, the affirmative vote of a majority of the voting power of all outstanding shares of the Company represented in person or by proxy at the annual meeting and entitled to vote is required for approval of the frequency advisory vote. The approval of Item 4 is a non-routine proposal on which a broker or other nominee does not have discretion to vote any uninstructed shares. Abstentions will have the same effect as votes against this proposal. Any broker non-votes that may result will not affect the outcome of this proposal. With respect to Item 4, if none of the frequency alternatives (one year, two years or three years) receive a majority vote, we will consider the frequency that receives the highest number of votes by our stockholders to be the frequency that has been selected by our stockholders. However, because this vote is advisory and not binding on us or our board in any way, our board may decide that it is in our and our stockholders' best interests to hold an advisory vote on executive compensation more or less frequently than the option approved by our stockholders.

## **Solicitation of Proxies**

Our board is soliciting proxies for the annual meeting from our stockholders. We will bear the entire cost of soliciting proxies from our stockholders. In addition to the solicitation of proxies by mail, we will request that brokers, banks and other nominees that hold shares of our common stock, which are beneficially owned by our stockholders, send notices, proxies and proxy materials to those beneficial owners and secure those beneficial owners' voting instructions. We will reimburse those record holders for their reasonable expenses. We have engaged Morrow & Co., LLC to assist in the solicitation of proxies and to provide related advice and informational support, for a service fee of approximately \$5,500 plus customary expenses. We also may use several of our regular employees, who will not be specially compensated, to solicit proxies from our stockholders, either personally or by telephone, Internet, telegram, facsimile or special delivery letter.

## **Assistance**

If you need assistance in voting over the Internet or completing your proxy card or have questions regarding the annual meeting, please contact our investor relations department at (281) 372-2300 or [investorrelations@completeproduction.com](mailto:investorrelations@completeproduction.com) or write to: Complete Production Services, Inc., 11700 Katy Freeway, Suite 300, Houston, Texas 77079, Attn: Investor Relations.

## **ITEM 1:**

### **ELECTION OF DIRECTORS**

#### **Board Structure**

Our Amended and Restated Certificate of Incorporation provides that the number of directors shall be set by our board. Our board has set the current authorized directors at seven members. The directors are divided into three classes, with each class serving for a term of three years. At each annual meeting, the term of one class expires. The following three Class III directors have a term expiring at this annual meeting: Robert S. Boswell, Michael McShane, and Marcus A. Watts.

#### **Board Nominees**

Based upon the recommendation of our Nominating and Corporate Governance Committee (the Nominating Committee ), our board has nominated Robert S. Boswell, Michael McShane, and Marcus A. Watts for re-election as directors to the board. Each nominee currently serves on our board. If elected, each director nominee would serve a three-year term expiring at the close of our 2014 annual meeting, or until his successor is duly elected. Biographical information on each of the nominees is furnished below under Director Biographical Information.

**Table of Contents****Board Recommendation**

**THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR EACH OF THE THREE NAMED NOMINEES FOR ELECTION TO THE BOARD OF DIRECTORS.**

**Director Biographical Information**

The biographical information concerning each of the nominees and continuing directors below describes each nominee's and director's history of service as one of our directors, business experience, public company directorships held currently or at any time during the past five years, involvement in certain legal or administrative proceedings, if applicable, and any other experience, qualifications, attributes or skills that caused the Nominating Committee and board to determine that the nominee or director should currently serve as a director of the board. There are no family relationships among our directors and executive officers.

<b>Name</b>	<b>Age</b>	<b>Position</b>	<b>Class</b>	<b>Director Since</b>	<b>Term Expires</b>
Joseph C. Winkler	59	Chairman and Chief Executive Officer	I	2005	2012
Robert S. Boswell	61	Director	III	2005	2011
Harold G. Hamm	65	Director	II	2005	2013
Michael McShane(1)(2)	56	Director	III	2007	2011
W. Matt Ralls(1)	61	Director	II	2005	2013
Marcus A. Watts(2)(3)	52	Director	III	2007	2011
James D. Woods(1)(2)(3)	79	Director	II	2001	2013

(1) Current member of the Audit Committee of the board

(2) Current member of the Compensation Committee of the board

(3) Current member of the Nominating and Corporate Governance Committee of the board

***Nominees for Election at the Annual Meeting to Serve for a Three-Year Term Expiring at the 2014 Annual Meeting of Stockholders***

*Robert S. Boswell.* Mr. Boswell has served as our director since September 2005. He currently serves as Chairman and Chief Executive Officer of Laramie Energy II, LLC, a Denver-based privately held oil and gas exploration and production company he co-founded in June 2007. Mr. Boswell also serves on the Board of Toromont Industries, Ltd. and the Board of Trustees of the Boys and Girls Clubs of America and is Vice Chairman of St. Joseph Hospital Foundation.

Prior to the formation of Laramie Energy II, Mr. Boswell served as Chairman and Chief Executive Officer of Laramie Energy, LLC, a privately held oil and gas exploration company, whose assets were sold in May 2007. From July 2004 until September 2005, Mr. Boswell served as a director of CES, one of our predecessors. Mr. Boswell served for many years as a director and executive of Forest Oil Corporation, a NYSE-listed independent exploration and production company, having served as a director from 1986 until September 2003 (also serving as Chairman of the Board from March 2000 until September 2003), Chief Executive Officer from December 1995 until September 2003, President from November 1993 to March 2000 and Chief Financial Officer from May 1991 until December 1995. Mr. Boswell



also served as a director of C.E. Franklin Ltd., a provider of products and services to the oilfield industry, specifically completion products, from 1976 until May 2003.

Our board has concluded that, with his track record as an entrepreneur in the energy exploration industry, Mr. Boswell provides the board with leadership skills and an understanding of our operations, particularly with respect to our oilfield services operations in Canada and the U.S. Rocky Mountain region, and should serve as one of our directors. Mr. Boswell's depth of experience at both the management and board level of a major NYSE company in the same industry contributes invaluable insight to our board as it confronts and seeks solutions to operational challenges and as it devises new strategic initiatives.

*Michael McShane.* Mr. McShane has served as our director since March 2007. Mr. McShane also serves as a director of Spectra Energy Corp, a NYSE-listed provider of natural gas infrastructure, since April 2008,

**Table of Contents**

Globalogix, a privately held company that provides comprehensive services to upstream oil & gas producers and operators, since June 2007, Forum Energy Technologies, a private international provider of manufactured technologies and applied products to the energy industry, since August 2010, Oasis Petroleum, a public exploration and production company focused on acquisition and development of unconventional oil and natural gas resources, since June 2010, and BOS Solutions, a private fluids management solutions company, since October 2010.

Previously, Mr. McShane served as a director and President and Chief Executive Officer of Grant Prideco, Inc., a NYSE-listed manufacturer and supplier of oilfield drill pipe and other drill stem products, from June 2002 until the completion of the merger of Grant Prideco with National Oilwell Varco, Inc. in April 2008, having also served as Chairman of the Board from May 2003 through April 2008. Prior to joining Grant Prideco, Mr. McShane was Senior Vice President Finance and Chief Financial Officer and director of BJ Services Company, a provider of pressure pumping, cementing, stimulation and coiled tubing services for oil and gas operators, from 1990 to June 2002, and Vice President Finance from 1987 to 1990 while BJ Services Company was a division of Baker-Hughes. Mr. McShane joined BJ Services Company in 1987 from Reed Tool Company, where he was employed for seven years in various financial management positions. Additionally, Mr. McShane served as a director for Triton LLC, a private company which builds and supports technologies and systems for subsea remote intervention operations and applications. In August 2008, Triton LLC merged with Forum Oilfield Technologies, Subsea Services International, Global Flow Technologies, and Allied Technology to create Forum Energy Technologies.

Mr. McShane's diverse career in the energy industry, from leading Grant Prideco, a manufacturer and supplier of oilfield equipment, to serving on the board of Triton LLC, a company focused on subsea remote intervention operations and applications, has led the board to conclude that Mr. McShane has the knowledge, skills and perspective relevant to an understanding of our operations and should serve as one of our directors. Furthermore, Mr. McShane's directorial experience on public and private company boards, including as a member of the finance and audit committees of Spectra Energy Corp, coupled with his finance and accounting background as a certified public accountant, enhances our audit committee.

*Marcus A. Watts.* Mr. Watts has served as our director since March 2007. Effective January 2011, Mr. Watts became President of The Friedkin Group, an umbrella company overseeing various business interests that are principally automotive related. From 1984 through December 2010, Mr. Watts served as a partner in the law firm of Locke Lord Bissell & Liddell LLP where he practiced corporate and securities law and served as the Vice Chairman of the firm and managing partner of its Houston office. Mr. Watts is the Past Chairman of the Advisory Board of the Salvation Army, the Past Chairman and Executive Committee member of the Society for the Performing Arts, and serves as a member of various committees for YMCA and American Diabetes Association.

From January 2001 to June 2005, Mr. Watts served as a director of Cornell Companies, a NYSE-listed company which is a provider of corrections, treatment and educational services outsourced by federal, state and local governmental agencies.

Our board has concluded that, with 25 years of experience in corporate securities law and corporate governance matters, including having represented issuers of equity and debt, underwriters, boards of directors and special committees, Mr. Watts adds insight into the legal, regulatory and compliance issues we encounter from time to time and should serve as one of our directors. Mr. Watts' prior service as a director of another NYSE-listed company enhances his contributions to our board meetings and deliberations.

***Director Continuing in Office Until the 2012 Annual Meeting of Stockholders***

*Joseph C. Winkler.* Mr. Winkler has served as our Chief Executive Officer and Director since September 2005 and as our Chairman of the Board since March 2007. Mr. Winkler is a director of Petroleum Equipment Suppliers

Association (PESA), an oilfield service and supply industry trade association and a director and member of the compensation and nominating and corporate governance committees of Dresser-Rand Group, Inc., a NYSE-listed provider of rotating equipment solutions. Mr. Winkler also is a member of the Dean's Planning and Advisory Council at Louisiana State University.

**Table of Contents**

Previously, Mr. Winkler served as President and Chief Executive Officer of Complete Energy Services, Inc. ( CES ) and as a director of CES, I.E. Miller Services, Inc. ( IEM ) and IPS, beginning in June 2005 (CES and IEM were combined with IPS in September 2005, with the resulting company renamed Complete Production Services, Inc.). Mr. Winkler also has extensive executive experience with National Oilwell Varco, Inc., a NYSE-listed oilfield capital equipment and services company, and its predecessor, Varco International, Inc., having served as the Executive Vice President and Chief Operating Officer from March 2005 until June 2005, President and Chief Operating Officer of Varco International from May 2003 until March 2005, and in various other executive capacities with Varco International, including as Executive Vice President and Chief Financial Officer, from April 1996 until May 2003. From 1993 to April 1996, Mr. Winkler served as the Chief Financial Officer of D.O.S., Ltd., a privately held provider of solids control equipment and services and coil tubing equipment to the oil and gas industry, which was acquired by Varco International in April 1996. Prior to joining D.O.S., Ltd., Mr. Winkler was Chief Financial Officer of Baker Hughes INTEQ, and served in a similar role for various companies owned by Baker Hughes Incorporated, including Eastman/Teleco and Milpark Drilling Fluids.

Mr. Winkler's current role as our Chief Executive Officer and his past role as President and Chief Executive Officer of our predecessor provides him considerable knowledge of and familiarity with our operations. This extensive institutional knowledge, coupled with Mr. Winkler's history of leadership and governance at National Oilwell Varco and its predecessor, position him to properly direct the review and deliberations of our board. Mr. Winkler's career in the oilfield service industry provides our board with a valuable resource of information on the markets in which we operate and the business and financial factors driving our financial results. As our Chief Executive Officer and Chairman, Mr. Winkler serves as the bridge between our management and the board, ensuring that both groups act with a common purpose. For these reasons, our board has concluded that Mr. Winkler should serve as one of our directors.

***Directors Continuing in Office Until the 2013 Annual Meeting of Stockholders***

*Harold G. Hamm.* Mr. Hamm has served as our director since September 2005, having served previously as a director of CES, one of our predecessors, from October 2004 until September 2005. Mr. Hamm has extensive leadership experience in public companies, and in particular in the oil and gas exploration and production industry. Since 2007, Mr. Hamm has served as President and Chief Executive Officer and a director of Continental Resources, Inc., a NYSE-listed independent exploration and production company founded by Mr. Hamm in 1967, and currently serves as its Chairman of the Board. Since October 2004, Mr. Hamm has served as Chairman of the Board of Hiland Holdings GP, the general partner of Hiland Partners LP, a private midstream master limited partnership, that focuses on the processing and marketing of natural gas and the fractionating and marketing of natural gas liquids. Previously, Mr. Hamm served as President and Chief Executive Officer and as a director of Continental Gas, Inc., a midstream natural gas gathering company, since December 1994 and then served as Chief Executive Officer and a director until 2004.

Mr. Hamm is also actively engaged in relevant industry associations and charitable activities. He currently serves on the executive boards of the Oklahoma Independent Petroleum Association, as past chairman, and of the Oklahoma Energy Explorers. Mr. Hamm is the founder and served as Chairman of the Board of Save Domestic Oil, Inc., is the founder and chairman of the Domestic Energy Producers Association and is past President of the National Stripper Well Association. Furthermore, the Harold and Sue Ann Hamm Foundation, which was founded in 2007, donated \$13 million as a founding donor for the Harold Hamm Oklahoma Diabetes Center located on the campus of the University of Oklahoma. Mr. Hamm is also a member of the Board of the Oklahoma Medical Research Foundation.

Our board has concluded that, with over 40 years of experience as a senior executive in the energy and oil and gas exploration and production industry, Mr. Hamm is widely recognized for his industry expertise, brings to the board a keen understanding of our industry, and should serve as one of our directors. In particular, Mr. Hamm's historical

experience in our industry from all aspects of both exploration and production of oil and gas enables him to provide our board with valuable insight into the Oklahoma and North Dakota markets and other areas where we operate. Mr. Hamm's role on the boards of directors of several

**Table of Contents**

large, publicly traded companies as well as his executive experience at Continental Resources provides him with the dual perspective to facilitate communications between management and board members.

*W. Matt Ralls.* Mr. Ralls has served as our director since December 2005. Since January 2009, Mr. Ralls has served as the President, Chief Executive Officer and director of Rowan Companies, Inc., a NYSE-listed contract drilling and manufacturing company.

Mr. Ralls has extensive leadership and financial management experience in the oil and gas drilling and production industry. Mr. Ralls also has recent public company directorship experience, having served as a board member and on the audit and corporate governance committees of Enterprise Products GP and Enterprise GP Holdings L.P., a NYSE-listed company that owns various partnership interests in the midstream energy industry, from February 2006 to March 2007 and on the audit committee of El Paso Pipeline Partners, L.P., a NYSE-listed natural gas transportation pipelines and storage company, from January 2008 to January 2009. Mr. Ralls served as Executive Vice President and Chief Operating Officer of GlobalSantaFe Corporation, a NYSE-listed international contract drilling company, from June 2005 until the completion of the merger of GlobalSantaFe with Transocean, Inc. in November 2007, having also served in the role of Senior Vice President and Chief Financial Officer from November 2001 to June 2005. Mr. Ralls also has executive experience with other oil drilling and production companies, including as: Senior Vice President, Chief Financial Officer and Treasurer of Global Marine from January 1999 to November 2001, when Global Marine merged to become GlobalSantaFe; Executive Vice President, Chief Financial Officer and Treasurer of Global Marine from 1997 to January 1999; Vice President of Capital Markets and Corporate Development for The Meridian Resource Corporation, a NYSE-listed corporation, from 1996 to 1997; and Executive Vice President, Chief Financial Officer and a director of Kelley Oil and Gas Corporation, a NASDAQ-listed company, from 1990 until 1996. Mr. Ralls also serves as a director for the American Petroleum Institute (API), and beginning January 2011, Mr. Ralls will serve as Chairman for the International Association of Drilling Contractors (IADC). API and IADC are trade associations for the oil and natural gas industry

Mr. Ralls spent the first 17 years of his career in commercial banking, mostly at the senior loan management level, with three large Texas banks, including NationsBank in San Antonio, Texas.

Mr. Ralls' extensive financial and senior executive management experience at companies focusing on various phases of the drilling and production industry, which provides him with a keen grasp of our operations and financial results, has led the board to conclude that Mr. Ralls should serve as one of our directors. This background culminates in strong financial acumen and leadership skills that he contributes to our board of directors. Mr. Ralls' finance background and past service on the audit committees of other public companies qualifies him as our Audit Committee's Financial Expert.

*James D. Woods.* Mr. Woods has served as our director since June 2001. Mr. Woods is currently retired and serves as a director of ESCO Technologies, a NYSE-listed supplier of engineered filtration products to the process, healthcare and transportation market, and Foster Wheeler Ltd., an OTC-traded holding company of various subsidiaries which provide a broad range of engineering, design, construction and environmental services. Mr. Woods serves as a director and is a past chairman of the Petroleum Equipment Supplier's Association, the National Ocean Industries Association and The Greater Houston YMCA. He also serves as a director of the University of Texas Health Science Center at Houston and as a trustee of the National Boys and Girls Club of America.

Mr. Woods enjoyed a long career at Baker Hughes Incorporated, having served as its Chief Executive Officer from April 1987 and Chairman from January 1989, in each case until January 1997, and most recently as its Chairman Emeritus and retired Chief Executive Officer.

Mr. Woods contributes considerable governance experience to our board, having recently served as a director and member of one or more board committees of the following public companies: OMI Corp., a NYSE-listed bulk shipping company, from 1998 to 2007 (compensation and nominating and corporate governance committees); USEC Inc., a NYSE-listed supplier of enriched uranium from 2001 to 2007 (audit committee); Integrated Production Services, Inc. ( IPS ) (renamed Complete Production Services subsequent to the combination of IPS with Complete Energy Services, Inc. and I.E. Miller Services, Inc. in September

**Table of Contents**

2005) from June 2001 until September 2005; Kroger, Co., a NYSE-listed food retail company, from 1994 to 2001; and National Oilwell Varco, Inc., a NYSE-listed global provider of mechanical components for drilling rigs, from 1988 to 2006.

Our board has concluded that Mr. Woods should serve as one of our directors because his distinguished career as an executive in the oilfield service industry provides the board with leadership experience and expertise in our industry. In particular, Mr. Woods' experience in managing the growth of Baker Hughes Incorporated, including his role in leading the merger of two of the largest companies in the oil service industry, lends considerable insight to the board in its endeavors to identify acquisition and growth opportunities.

**Executive Officers**

Set forth below is information regarding each of our executive officers as of April 11, 2011:

<b>Name</b>	<b>Age</b>	<b>Position</b>
Joseph C. Winkler	59	Chairman and Chief Executive Officer
Brian K. Moore	54	President and Chief Operating Officer
Jose Bayardo	39	Senior Vice President, Chief Financial Officer and Treasurer
James F. Maroney	60	Vice President, Secretary and General Counsel
Kenneth L. Nibling	60	Vice President Human Resources and Administration
Dewayne Williams	40	Vice President Accounting, Corporate Controller, Chief Accounting Officer and Assistant Treasurer

*Joseph C. Winkler.* See above Director Continuing in Office Until the 2012 Annual Meeting of Stockholders.

*Brian K. Moore.* Mr. Moore has served as our President and Chief Operating Officer since March 2007 and prior to that served as our President, IPS Operations from September 2005 through March 2007. From April 2004 through September 2005, Mr. Moore served as President and Chief Executive Officer and a director of IPS, one of our predecessor companies. From January 2001 through April 2004, Mr. Moore served as General Manager Oilfield Services, U.S. Land Central Region, at Schlumberger Ltd., an international oilfield and information services company. Prior to serving as General Manager Oilfield Services, Mr. Moore served as Pressure Pumping Manager for Schlumberger's Eastern Region from July 1999 to January 2001. Mr. Moore has over 30 years of oilfield service experience including 15 years with Camco International where he served in various management and engineering positions including General Manager Coiled Tubing Operations.

*Jose A. Bayardo.* Mr. Bayardo has served as our Senior Vice President, Chief Financial Officer and Treasurer since August 2010, and previously served as the Vice President, Chief Financial Officer and Treasurer since October 2008. From February 2007 to October 2008, Mr. Bayardo served as our Vice President Corporate Development and Investor Relations. From April 2006 to January 2007, he served as Vice President of our IPS Division's Rocky Mountain and Mid-continent operations. From April 2003 to April 2006, he served as the Vice President of Corporate Development of IPS, our predecessor company. Prior to joining us, Mr. Bayardo was an investment banker with JPMorgan.

*James F. Maroney.* Mr. Maroney has served as our Vice President, Secretary and General Counsel since October 2005. From August 2005 until October 2005, Mr. Maroney surveyed various opportunities until accepting employment with us. Mr. Maroney served as Of Counsel to National Oilwell Varco, Inc. from March 2005 to August



2005. He served as Vice President, Secretary and General Counsel of Varco International from May 2000 until March 2005. Prior to that time, Mr. Maroney served as Vice President, Secretary and General Counsel of Tuboscope, Inc., predecessor to Varco International.

## **Table of Contents**

*Kenneth L. Nibling.* Mr. Nibling has served as our Vice President – Human Resources and Administration since October 2005. From August 2005 to October 2005, Mr. Nibling surveyed various opportunities until accepting employment with us. He served as Vice President, Human Resources of National Oilwell Varco, Inc. from March 2005 through July 2005. He served as Varco International, Inc.’s Vice President – Human Resources and Administration from May 2000 until March 2005. Prior to that time, Mr. Nibling served as Vice President – Human Resources and Administration of Tuboscope, Inc., predecessor to Varco International.

*Dewayne Williams.* Mr. Williams has served as our Vice President – Accounting, Corporate Controller, Chief Accounting Officer and Assistant Treasurer since May 2009. From September 2005 to May 2009, Mr. Williams served as our Assistant Controller. From August 2004 until September 2005, Mr. Williams served as the Financial Reporting Manager with Core Laboratories N.V., a publicly held oilfield service company, and from December 1999 to August 2004 he served as the SEC Reporting Manager of NATCO Group Inc., a publicly held oil service company. Prior to December 1999, Mr. Williams’ experience included Financial Reporting and Accounting Manager with Enron Corp, and service as an Audit Senior with Coopers & Lybrand, L.L.P and with Arthur Andersen, L.L.P. Mr. Williams is a Certified Public Accountant.

## **CORPORATE GOVERNANCE**

Our board adheres to strong corporate governance practices and has adopted corporate governance guidelines to set forth its agreements concerning overall governance practices. Our board has also adopted a Code of Business Conduct and Ethics, which contains general guidelines for conducting our business that applies to all of our employees, including our principal executive officer and our principal financial officer, our principal accounting officer and our controller, and a Code of Ethics for Non-Employee Directors that applies to all of our non-employee directors. Our guidelines and codes of ethics can be found in the corporate governance section of our website at [www.completeproduction.com](http://www.completeproduction.com). In the event of any future amendments to certain provisions of our Code of Business Conduct and Ethics, or any waivers of such provisions, applicable to our directors and executive officers, we intend to disclose such amendments or waivers at the same location on our website identified above.

### **Board Qualifications, Evaluation of Nominees and Consideration of Diversity**

Our corporate governance guidelines provide our board and Nominating Committee with a roadmap for selecting and evaluating nominees for the board and for reviewing whether continuing directors possess attributes relevant to our business. The Nominating Committee evaluates the backgrounds and skills of continuing directors using criteria consistent with the criteria considered by the Nominating Committee in recommending new director candidates, which include:

technical, operational and/or economic knowledge of our business and the facets of the oil and gas industry that are at the focal point of our operations;

experience at the executive level in operational, financial and/or administrative management;

financial and risk management acumen; and

experience in or familiarity with our business and markets (including international expertise), technological trends and developments that affect our business, and corporate securities and tax laws.

In conducting its evaluation of candidates and continuing directors, the Nominating Committee assesses each individual in the context of the board as a whole, with the goal of assembling a board that has the ability to best perpetuate our success and represent stockholder interests through the exercise of sound judgment. The Nominating

Committee evaluates the diversity of backgrounds, skills, work experience, geographic representation and oil and gas industry focus that it believes are critical to a successful board for our company at this time. The Nominating Committee is especially interested in:

ensuring geographic representation across the basins in which we conduct our operations;

ensuring that directors collectively have a broad range of experience across the phases of the oil and gas industry that are the focus of our business;

## **Table of Contents**

drawing from the expertise of active or retired chief executive officers and other senior executives, particular those with experience at public companies and/or backgrounds in capital markets and mergers and acquisitions;

integrity and commitment to the highest ethical standards;

consistent availability and commitment to attending board meetings;

an ability to challenge and share ideas in a positive and constructively critical manner and be responsive to our needs; and

an ability to communicate effectively with other members of the board and management.

Although the Nominating Committee does not expect candidates and continuing directors to possess all of the foregoing attributes, each person should exhibit one or more of those characteristics.

To identify nominees, the Nominating Committee typically begins by polling board members and senior management for their recommendations, and will also consider candidates who are properly proposed by stockholders. The Nominating Committee has the option of retaining a third-party search firm to identify candidates if deemed necessary or advisable. The Nominating Committee, as it deems appropriate, also may review the composition and qualification of the boards of directors of our competitors or other similarly situated companies and may seek the input of industry experts or analysts. After reviewing the qualifications, experience, background and the potential effect upon board chemistry of any new candidate, the Nominating Committee will recommend final candidates for interviews by our independent directors and members of our senior management team. Once the Nominating Committee has reviewed and deliberated over the feedback of the entire board and senior management, as well as any other information gathered about a nominee, the Nominating Committee makes its recommendation to the board. As discussed under **Other Matters – Stockholder Proposals and Nominations**, any candidates properly recommended by stockholders for nomination to the board will be evaluated in the same manner that candidates suggested by board members, management or other parties are evaluated.

## **Board Leadership Structure**

Our Chairman and Chief Executive Officer roles have been combined since March 2007, within the first year after we became a public company. Our board has determined that balancing the combined role of Chairman and Chief Executive Officer with a rotating presiding director position is the most appropriate leadership structure for our company at this time. In particular, the combined role of Chairman and Chief Executive Officer facilitates centralized coherent leadership that maximizes the effectiveness of our board, given the breadth of our board's industry experience, the board's relatively small size and the long-standing history of many of our directors with us. The combined role approach also minimizes any ambiguity about accountability among senior management and directors and aligns the strategy and goals of the board with management. The board's leadership structure additionally fosters efficient decision-making critical to the success of our operations.

Our board maintains a rotating presiding director position in order to maximize the valuable input from our non-employee directors. The presiding director rotates every quarter in accordance with a pre-established schedule. We believe this structure enhances the opportunity for each director to contribute and provide individualized value on a regular basis, as well as facilitates coordination and communication among the non-management directors. The presiding director presides over the quarterly executive sessions of non-management members of the board. The presiding director may also synthesize any issues raised in the executive sessions and coordinate with and communicate such issues to the next scheduled presiding director.

The board recognizes the importance of regularly evaluating our particular circumstances to determine if our leadership structure continues to serve the best interests of us and our stockholders. To this end, the board engages in a regular assessment of whether the then current leadership structure remains the most appropriate for us. Our corporate governance guidelines permit the board to fill the positions of Chairman and Chief Executive Officer with one individual or two different individuals and also allow the board to appoint a

**Table of Contents**

permanent presiding non-employee director. As a result, the board has the flexibility to alter its leadership structure in the future to adapt to changing circumstances as and when needed.

**Risk Oversight**

Our board understands that management has the duty to manage the risks inherent to our company, but also understands that it must oversee an enterprise-wide approach to such risk management, which is designed to enhance management's and the board's ability to identify, understand, evaluate, articulate and successfully manage the various risks to which we are exposed. Our approach is designed to consider the probability and impact of occurrences, to cost effectively attempt to mitigate, preempt or avoid the impact of the identified risks in a manner that balances the benefits against the costs associated with the risk, while striving to achieve improved long-term financial and operational performance and enhanced stockholder value. We recognize that an enterprise-wide approach to risk management is not a means for eliminating all risk, and is a supplement to and not a replacement for proper internal controls.

Our board believes that a fundamental part of risk oversight is not only understanding the risks that we face, the steps management is taking to manage those risks and the effectiveness of those steps, but also an understanding of what level of risk is appropriate for us and how that level of risk may change over time or due to circumstances. Another key component of the board's oversight is regular communications with senior management during board and committee meetings, and otherwise as advisable, regarding risk management, control and mitigation. Management monitors and assesses risk on an ongoing basis, with a focus on the following categories of risk that are fundamental to the success of our plans: strategic, legal, environmental, financial, information technology, human capital and operational. In particular, management regularly engages in the following processes in order to monitor the foregoing areas of risk: customer and competitor analysis, management succession planning, financial statement review, bi-weekly division updates, site visits by senior management, quarterly health, safety and environmental meetings, quarterly division president meetings and market reviews. To ensure active discussion about risk management and to facilitate the board's role in risk oversight, each quarter management reports to the board on the results of our business in such a manner as to apprise the board of the risks inherent in the risk categories described above. In addition, enterprise risk management is more comprehensively reviewed by the board as part of the annual planning and budgeting process and oversight of the same is addressed at our regularly scheduled board meetings.

While the board has the ultimate responsibility for the oversight of the enterprise risk management process, various committees of the board are structured to oversee specific risks and report certain strategic oversight issues to the entire board, as set forth below. The committees periodically provide updates to the board regarding material risk management issues and management's response.

<b>Committee</b>	<b>Primary Risk Oversight Responsibility</b>
Audit Committee	Overseeing financial compliance risk and internal controls over financial reporting and discussing with management our significant financial risk exposures.
Compensation Committee	Overseeing our compensation practices and evaluating the balance between risk-taking and rewards to senior officers and other employees.
Nominating Committee	Evaluating each director's independence and the effectiveness of our Corporate Governance Guidelines and Code of Business Conduct and Ethics and overseeing management's succession planning.

**Board and Committee Independence**

Our board has determined that each of Messrs. McShane, Ralls, Watts and Woods is an independent member of the board under the listing standards of the NYSE and has no material relationship with us that would impair such director's independence. Our board has further determined that each of our standing

**Table of Contents**

committees (i.e., Audit Committee, Compensation Committee and Nominating and Governance Committee) is comprised solely of independent members of our board. In making these determinations, our board considered all relationships between us and the director and the director's family members. As noted above, our board determined Mr. Watts to be independent. Mr. Watts retired as a partner of the law firm of Locke Lord Bissell & Liddell LLP (LLB&L) as of December 31, 2010. Through December 31, 2010, Mr. Watts was the partner in charge of our legal services account with LLB&L. Based on the amount paid by us to LLB&L in 2010 and the absence of any other material relationship between Mr. Watts and us, our board determined that Mr. Watts is independent as of January 2011. For a discussion of transactions involving Mr. Watts, as well as Messrs. Boswell and Hamm (whom our board determined to be not independent), see Certain Relationships and Related Transactions.

**Board Meetings**

Our board held four meetings during fiscal year 2010 and acted by unanimous written consent two times. During fiscal year 2010, all directors attended at least 75% of the combined total of (i) all board meetings and (ii) all meetings of committees of the board of which the director was a member. The chairman of the board or his designee, taking into account suggestions from other board members, establishes the agenda for each board meeting and distributes it in advance to each member of the board. Each board member is free to suggest the inclusion of items on the agenda. The board regularly meets in executive session without management present. The board has a policy that all directors attend the annual meeting of stockholders, absent unusual circumstances. All of our directors attended last year's annual meeting of stockholders.

**Board Committees**

Our board maintains a standing: (i) Audit Committee, (ii) Nominating and Corporate Governance Committee and (iii) Compensation Committee. To view the charter of each of these committees please visit our website at [www.completeproduction.com](http://www.completeproduction.com). The membership of our standing committees as of the record date is as follows:

<b>Director</b>	<b>Independent Under NYSE Standards</b>	<b>Audit Committee</b>	<b>Nominating and Corporate Governance Committee</b>	<b>Compensation Committee</b>
Joseph C. Winkler	No			
Robert S. Boswell	No			
Harold G. Hamm	No			
Michael McShane	Yes	**		C
W. Matt Ralls	Yes	C		
Marcus A. Watts	Yes		C	**
James D. Woods	Yes	**	**	**

\*\* Member

C Chair

***Audit Committee***



The Audit Committee has sole authority for the appointment, compensation and oversight of our independent registered public accountants and reviews the appointment, performance and replacement of our internal auditors, and has responsibility for reviewing and discussing with our management and our independent registered public accountants (when appropriate), the audited consolidated financial statements, prior to filing or issuance, included in our Annual Report on Form 10-K and our unaudited condensed consolidated financial information included in our earnings press releases. The Audit Committee carries out its responsibilities in accordance with the terms of its charter.

W. Matt Ralls (Chairman) and Michael McShane were members of the Audit Committee throughout fiscal year 2010. R. Graham Whaling was a member of the Audit Committee until his resignation from our board in January 2010, at which time his vacancy on the Audit Committee was filled by Mr. Woods.

## **Table of Contents**

Messrs. Ralls, McShane and Woods are currently members of the Audit Committee. Our board has determined that all of our Audit Committee members are financially literate under the current listing standards of the NYSE and are independent under the requirements of SEC Rule 10A-3. Our board has also determined that Mr. Ralls qualifies as an audit committee financial expert as defined by the Securities Exchange Commission, or SEC. During fiscal year 2010, the Audit Committee met eleven times.

### ***Nominating and Corporate Governance Committee***

Marcus A. Watts (Chairman) and James D. Woods were members of the Nominating Committee throughout fiscal year 2010 and are currently members of the Nominating Committee. The Nominating Committee met once and acted by unanimous written consent once in fiscal year 2010.

The purpose of the Nominating Committee is to make recommendations concerning the size and composition of our board and its committees, evaluate and recommend candidates for election as directors, develop, implement and review our corporate governance policies, and evaluate the effectiveness of our board. The Nominating Committee works with the board as a whole on an annual basis to determine the appropriate skills and characteristics required of board members in the context of the current make-up of the board and its committees.

Our entire board is responsible for nominating members for election to the board and for filling vacancies on the board that may occur between annual meetings of the stockholders. The Nominating Committee is responsible for identifying, screening and recommending candidates to the entire board for prospective board membership. In evaluating the suitability of individuals, the Nominating Committee considers many factors, including issues of experience, integrity, qualifications (such as an understanding of finance and marketing), educational and professional background and willingness to devote adequate time to board duties. See Board Qualifications, Evaluation of Nominees and Consideration of Diversity. When formulating its board membership recommendations, the Nominating Committee also considers any advice and recommendations offered by our Chief Executive Officer. The Nominating Committee may also review the composition and qualification of the board of our competitors or other companies and may seek input from industry experts. In determining whether to recommend a director for re-election, the Nominating Committee also considers the board's and each committee's annual performance self-evaluation as well as annual individual director evaluations, which address the director's past attendance at meetings and participation in and contributions to the activities of the board and the like. The Nominating Committee evaluates each individual in the context of the board as a whole, with the objective of recommending a group that can best perpetuate the success of the business and represent stockholder interests through the exercise of sound judgment.

The Nominating Committee will consider stockholder recommendations of candidates on the same basis as it considers all other candidates. Stockholder recommendations should be submitted to us under the procedures discussed in Other Matters Stockholder Proposals and Nominations, and should include the candidate's name, age, business address, residence address, principal occupation or employment, the number of shares beneficially owned by the candidate and information that would be required to solicit a proxy under federal securities law. In addition, the notice must include the recommending stockholder's name, address, the number of shares beneficially owned and the time period those shares have been held.

### ***Compensation Committee***

Michael McShane (Chairman) and James D. Woods were the members of the Compensation Committee during fiscal year 2010, with R. Graham Whaling serving as Chairman through his resignation on January 15, 2010. The Nominating Committee recommended for appointment, and the board appointed, Marcus A. Watts to the Compensation Committee in February 2011. Messrs. McShane, Watts and Woods are currently members of the Compensation Committee. Our board has determined that all Compensation Committee members qualify as

non-employee directors within the meaning of Section 16 of the Securities Exchange Act of 1934, as amended (the Exchange Act ) and as outside directors within the meaning of Section 162(m) of the

## **Table of Contents**

Internal Revenue Code. The Compensation Committee met five times and acted by unanimous written consent six times in fiscal year 2010

The Compensation Committee reviews and establishes the compensation of our executive officers, including our Chief Executive Officer, on an annual basis, has direct access to third party compensation consultants, and administers our stock incentive plans, including the review and grant of stock options and restricted stock to all eligible employees under our stock incentive plans.

The Compensation Committee reviews annually, generally in the first quarter of each fiscal year, the base salaries for our executive officers. The Compensation Committee also determines annually, generally during the first quarter, the annual cash bonuses to be awarded to our executive officers and certain members of senior management based upon pre-established financial performance criteria set under the Management Incentive Plan for the prior fiscal year and our performance relative to such criteria. In addition, under our equity grant policy, the Compensation Committee makes grants of equity awards at least annually and the grant date for the annual grant has been established as the last business day of January. Our Chief Executive Officer makes recommendations to the Compensation Committee regarding our other executive officers' compensation based on his evaluation of the performance of each other executive officer against objectives established by our Chief Executive Officer and the executive officer at the beginning of each year, the officer's scope of responsibilities, our financial performance, retention considerations and general economic and competitive conditions.

The Compensation Committee has the sole authority to retain consultants and advisors as it may deem appropriate in its discretion, and the Compensation Committee has the sole authority to approve related fees and other retention terms. Since September 2006, the Compensation Committee has engaged Pearl Meyer & Partners ( PM&P ), independent compensation consultants, to advise the Compensation Committee on an ongoing basis. The consultant reports directly to the Compensation Committee and works closely with our Vice President Human Resources and Administration, who is management's representative to the Compensation Committee. PM&P, when invited, attends meetings of the Compensation Committee. The Compensation Committee determines when to hire, terminate or replace the consultant, and which projects are to be performed by the consultant. During fiscal 2010 and early 2011, the Compensation Committee directed PM&P to provide: (i) a summary report on projected 2010 increases in base salaries and total cash compensation for executives in the energy and energy services sector; (ii) a comprehensive market analysis of our executives' 2010 compensation forms and levels, including an analysis of share allocation and usage levels, executive benefits and perquisites, and severance and change of control provisions; (iii) a framework for determining 2010 long-term incentive compensation; (iv) a summary report on recent developments in corporate governance and executive compensation; (v) a review of our Compensation Committee charter; (vi) a comprehensive market analysis of our director compensation forms and levels; (vii) a brief analysis of our financial performance compared to our peer group; and (viii) a summary overview of the 401(k) plans of our peer group. The only services provided by PM&P during 2010 were as directed by the Compensation Committee related to executive compensation and as directed by the Nominating Committee related to director compensation and evaluations.

## **Communication with the Board**

Interested persons, including our stockholders, may communicate with our board, including our non-management directors, by sending a letter to our Secretary at our principal executive offices at 11700 Katy Freeway, Suite 300, Houston, Texas 77079. Our Secretary will submit all correspondence to the board or to any specific director to whom the correspondence is directed.

**Table of Contents****Compensation of Directors**

Our executive officers do not receive additional compensation for their service as directors. The table below summarizes the compensation received by our non-employee directors for the year ended December 31, 2010.

**Director Compensation Table**

<b>Director</b>	<b>Fees Earned or Paid in Cash(1)</b>	<b>Stock Awards(2)(3)(5)</b>	<b>Option Awards(2)(4)(5)</b>	<b>Total</b>
Robert S. Boswell	\$ 41,000	\$ 71,620	\$ 28,380	\$ 141,000
Harold G. Hamm	\$ 41,000	\$ 71,620	\$ 28,380	\$ 141,000
Michael McShane	\$ 51,000	\$ 71,620	\$ 28,380	\$ 151,000
W. Matt Ralls	\$ 54,500	\$ 71,620	\$ 28,380	\$ 154,500
Marcus A. Watts	\$ 51,000	\$ 71,620	\$ 28,380	\$ 151,000
R. Graham Whaling(6)				
James D. Woods	\$ 39,500	\$ 71,620	\$ 28,380	\$ 139,500

- (1) In 2010, each non-employee director was entitled to receive an annual retainer fee of \$35,000 and fees of \$1,500 for attendance in person at each meeting of our board of directors or \$750 for each meeting of our board of directors attended telephonically. The chairman of the Audit Committee was entitled to receive an additional annual retainer fee of \$15,000 and each director who serves as committee chairman (other than the chairman of the Audit Committee) was entitled to receive an additional annual retainer fee of \$10,000.

Members of our board also are entitled to reimbursement of their expenses, in accordance with our policy, incurred in connection with attendance at board and committee meetings and conferences with our senior management. We do not offer our non-employee directors any perquisites or other forms of compensation.

- (2) Non-employee directors receive an automatic grant, upon initial appointment and on the last business day of January of each year of equity awards valued at \$100,000 as follows: (a) options to purchase 5,000 shares of our common stock, valued as of the date of grant, based on a Black-Scholes model of option valuation, and (b) the balance of the \$100,000, in restricted stock, valued based on the closing price of our common stock on the date of grant. During 2010 and in prior years, directors were required to hold and could not transfer 65% of their vested restricted shares until their directorship on our board terminated. This obligation was terminated in 2011 in connection with our adoption of stock ownership guidelines, as described below. The options have a term of ten years and vest in three equal installments, generally on each of the first, second and third anniversaries of the grant date, subject to continued service on the board of directors. Vesting of options is accelerated in the event of the director's retirement. The restricted stock generally vests in full on the first anniversary of the grant date.
- (3) The amounts shown represent the aggregate grant date fair value of shares of restricted stock granted in fiscal year 2010, as described in Financial Accounting Standards Board Accounting Standards Codification Topic 718, Stock Compensation, as amended ( FASB ASC Topic 718 ). The grant date fair value of the 5,716 shares of restricted stock granted on January 29, 2010 under our 2008 Incentive Award Plan, as amended (the 2008 Plan ), to the non-employee directors was \$71,620, as computed in accordance with FASB ASC Topic 718, based on the

closing price of our common stock of \$12.53 on the grant date. The 2010 restricted stock grants vested in full on January 29, 2011.

- (4) The grant date fair value of the options to purchase 5,000 shares of our common stock granted on January 29, 2010 under our 2008 Plan was \$28,380, based on the Black-Scholes model of option valuation to determine grant date fair value, as prescribed under FASB ASC Topic 718. The following assumptions were used in the Black-Scholes model: market price of stock, \$12.53; exercise price of option, \$12.53; expected stock volatility, 50.4%; risk-free interest rate, 2.34% (based on the constant maturities treasury bond rate for the expected term); expected life, 5.1 years; dividend yield, 0%.

**Table of Contents**

- (5) The table below shows the aggregate numbers of option awards (exercisable and unexercisable) and unvested stock awards held as of December 31, 2010 by each non-employee director.

<b>Director</b>	<b>Options Outstanding at Fiscal Year End</b>	<b>Outstanding Unvested Restricted Shares at Fiscal Year End</b>
Robert S. Boswell	30,000	5,716
Harold G. Hamm	30,000	5,716
Michael McShane	25,000	5,716
W. Matt Ralls	30,000	5,716
Marcus A. Watts	25,000	5,716
R. Graham Whaling	32,397	0
James D. Woods	30,000	5,716

- (6) Mr. Whaling resigned from the Board effective January 15, 2010. Upon Mr. Whaling's termination of service from our board, the vesting of all of his then outstanding unvested options and unvested shares of restricted stock was accelerated, and the exercise period for each of his outstanding options was extended until January 15, 2013.

In December 2010, the Compensation Committee commissioned from PM&P a report on our director compensation program and a market analysis of director compensation trends. The report showed that (i) the annual cash retainer of \$35,000 paid to our non-employee directors is well below the market median of \$47,500 within our peer group; (ii) our annual total cash compensation is significantly less than our peer group's median; (iii) our long term equity incentive grants of \$100,000 are substantially less than our peer group's median long term equity incentive grant levels of approximately \$190,000 and (iv) total direct compensation for our non-employee directors, on average, was approximately \$172,000 in 2010, compared to a median total of approximately \$250,000 for our peer group. Our peer group for purposes of PM&P's director compensation review is the same as the peer group described under Compensation Discussion and Analysis Approach for Determining Form and Amount of Compensation Comparison to Market Practices. The Compensation Committee had previously considered increasing director compensation in November 2008, but decided to maintain it at the level in effect since February 2007, the last time we increased director compensation, in light of the decline in economic and industry conditions in 2008. In December 2010 and early 2011, the Compensation Committee approved the following changes to our compensation program for non-employee directors:

increased the annual retainer from \$35,000 to \$55,000, effective as of the first quarterly retainer payment for 2011.

increased the annual value of the equity award grants made to non-employee directors from \$100,000 to \$170,000, to be granted entirely in shares of restricted stock (instead of in a combination of shares of restricted stock and options), effective as of the January 31, 2011 grant date. The restricted stock will continue to vest in full on the first anniversary of the date of grant, subject to continued service with us.

in connection with the implementation of stock ownership guidelines for non-employee directors described below, eliminated the requirement that non-employee directors continue to hold and may not transfer 65% of their shares of restricted stock that have vested until their directorship on our board is terminated.

*Stock Ownership Guidelines.* In early 2011, the Compensation Committee recommended to our board for approval, and our board approved, new stock ownership guidelines for our named executive officers and non-employee directors. See Compensation Discussion and Analysis Long-term Equity Incentive Awards Stock Options and Restricted Stock Stock Ownership Guidelines for a description of the guidelines as they apply to our named executive officers. Under the guidelines, a non-employee director will have five years, beginning as of January 1, 2011, to attain the required ownership threshold, which was established as a share value equal to five times the annual cash retainer for such non-employee director. Compliance with the new ownership guidelines will be assessed on an annual basis as of December 31 of the applicable year.



**Table of Contents**

**ITEM 2:**

**RATIFICATION OF SELECTION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTANTS**

The Audit Committee of our board has selected Grant Thornton LLP ( Grant Thornton ) as our independent registered public accountants for the year ending December 31, 2011, and the board has directed that management submit the selection of independent registered public accountants for ratification by the stockholders at the annual meeting. A representative of Grant Thornton is expected to be present at the annual meeting and will have an opportunity to make a statement if he or she so desires and will be available to respond to appropriate questions.

Stockholder ratification of the selection of Grant Thornton as our independent registered public accountants is not required by our bylaws or otherwise. However, the board is submitting the selection of Grant Thornton to the stockholders for ratification as a matter of corporate practice. If the stockholders 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 in its discretion may direct the appointment of a different independent accounting firm at any time during the year if the Audit Committee determines that such a change would be in our best interests and in the best interests of our stockholders.

**Board Recommendation**

**THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR THE RATIFICATION OF GRANT THORNTON LLP AS OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTANTS FOR FISCAL YEAR 2011.**

**Table of Contents**

**SECURITY OWNERSHIP OF DIRECTORS AND EXECUTIVE OFFICERS  
AND CERTAIN BENEFICIAL OWNERS**

The following table shows ownership of our common stock on April 11, 2011, based on 78,902,708 shares of common stock outstanding on that date, by (i) each person known to us to own beneficially more than five percent (5%) of our capital stock; (ii) each director and nominee; (iii) our Chief Executive Officer and Chief Financial Officer, and each of our other three most highly compensated executive officers for the year ended December 31, 2010 (collectively the named executive officers); and (iv) all of our current directors and nominees, named executive officers and executive officers as a group. Except to the extent indicated in the footnotes to the following table, the person or entity listed has sole voting and dispositive power with respect to the shares that are deemed beneficially owned by such person or entity, subject to community property laws, where applicable:

Name	Shares of Common Stock(1)	Rights to Acquire Common Stock(2)	Total Shares Beneficially Owned	Percentage of Outstanding Common Stock(3)
<b>Directors and Nominees:</b>				
Joseph C. Winkler(4)	910,452	1,118,571	2,029,023	2.54
Robert S. Boswell	62,919	25,001	87,920	*
Harold G. Hamm(5)	3,290,055	25,001	3,315,056	4.20
Michael McShane	31,886	20,001	51,887	*
W. Matt Ralls	33,495	25,001	58,496	*
Marcus A. Watts	33,886	20,001	53,887	*
James D. Woods	44,504	25,001	69,505	*
<b>Other Named Executive Officers:</b>				
Brian K. Moore	373,771	224,101	597,872	*
Jose Bayardo	136,052	98,400	234,452	*
James F. Maroney	49,128	0	49,128	*
Kenneth L. Nibling(6)	44,705	0	44,705	*
<b>All current executive officers and directors (including nominees) as a group (12 persons)</b>				
	5,035,971	1,584,878	6,620,849	8.23
<b>Stockholders Holding 5% or more</b>				
Black Rock, Inc.(7) 40 East 52nd Street New York, New York 10022	6,142,131	0	6,142,131	7.78
Dimensional Fund Advisors LP(8) Palisades West, Building One 6300 Bee Cave Road Austin, Texas 78746	4,247,758	0	4,247,758	5.38
T. Rowe Price Associates, Inc.(9) 100 E. Pratt Street Baltimore, Maryland 21202	3,223,168	0	3,223,168	4.08

\* Less than 1%.

**Table of Contents**

(1) Includes unvested shares of restricted common stock as follows:

<b>Directors and Nominees</b>	<b>Unvested Restricted Stock</b>	<b>Other Named Executive Officers</b>	<b>Unvested Restricted Stock</b>
Mr. Winkler	205,066	Mr. Woods	6,085
Mr. Boswell	6,085	Mr. Moore	107,199
Mr. Hamm	6,085	Mr. Bayardo	51,300
Mr. McShane	6,085	Mr. Maroney	44,099
Mr. Ralls	6,085	Mr. Nibling	38,999
Mr. Watts	6,085	All current executive officers and directors	499,073

(2) Represents shares which the person or group has a right to acquire within sixty (60) days of April 11, 2011, upon the exercise of options.

(3) Shares of common stock subject to options which are currently exercisable or which become exercisable within sixty (60) days of April 11, 2011 are deemed to be beneficially owned by the person holding such options for the purposes of computing the percentage of ownership of such person but are not treated as outstanding for the purposes of computing the percentage of any other person.

(4) Includes 3,200 shares owned by Mr. Winkler's spouse.

(5) Includes an aggregate of 35,701 shares owned directly by Harold G. Hamm; 2,346,597 shares owned by Harold G. Hamm GRAT 6 and Harold G. Hamm GRAT 8 (collectively, the GRATs); and 907,757 shares owned by the Revocable Inter Vivos Trust of Harold G. Hamm, as amended and restated, dated as of April 23, 1984 (the Inter Vivos Trust). Each of the GRATs and the Inter Vivos Trust is an estate planning trust. Mr. Hamm is the grantor and serves as a trustee of each of these trusts. As such, Mr. Hamm may be deemed to have shared voting and dispositive power over the shares beneficially owned by these trusts.

(6) Includes 1,000 shares owned by Mr. Nibling's son. Mr. Nibling disclaims beneficial ownership of the shares held by his son.

(7) According to a Schedule 13G filed on February 3, 2011 by BlackRock, Inc., a parent holding company (BlackRock), on behalf of its investment advisory subsidiaries consisting of BlackRock Japan Co. Ltd., BlackRock Institutional Trust Company, N.A., BlackRock Fund Advisors, BlackRock Asset Management Australia Limited, BlackRock Advisors LLC, BlackRock Investment Management, LLC, BlackRock Investment Management (Australia) Limited, BlackRock (Luxembourg) S.A. and BlackRock International Limited that hold the securities. BlackRock has sole voting and dispositive power with respect to all 6,142,131 shares.

(8) According to a Schedule 13G filed by Dimensional Fund Advisors LP (Dimensional) on February 11, 2011. Dimensional is an investment adviser registered under Section 203 of the Investment Advisors Act of 1940, furnishes investment advice to four investment companies registered under the Investment Company Act of 1940, and serves as investment manager to certain other commingled group trusts and separate accounts (such investment companies, trusts and accounts, collectively referred to as the Funds). In certain cases, subsidiaries of Dimensional may act as an adviser or sub-adviser to certain Funds. In its role as investment advisor, sub-adviser and/or manager, neither Dimensional nor its subsidiaries possess voting and/or investment power over the shares

that are owned by the Funds, but may be deemed to be the beneficial owner of such shares. Dimensional disclaims beneficial ownership of all such securities.

- (9) According to a Schedule 13G/A filed by T. Rowe Price Associates, Inc. ( Price Associates ) on February 10, 2011, represents shares owned by various individuals and institutional investors with respect to which Price Associates serves as investment adviser with power to direct investments and/or sole power to vote the shares, including 407,050 shares over which Price Associates possesses sole voting power and 3,223,168 shares over which Price Associates possesses sole dispositive power. For purposes of the reporting requirements of the Exchange Act, Price Associates is deemed to be a beneficial owner of such shares; however, Price Associates expressly disclaims that it is, in fact, the beneficial owner of such shares.

Table of Contents**EQUITY COMPENSATION PLAN INFORMATION TABLE****Equity Compensation Plan Information**

The following table provides information as of December 31, 2010, about compensation plans under which shares of our common stock may be issued to employees, consultants or non-employee directors of our board of directors upon exercise of options, warrants or rights.

<b>Plan Category</b>	<b>Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights(a)</b>	<b>Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights(b)</b>	<b>Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a))(c)</b>
Plans approved by stockholders	3,141,583	\$ 12.68	6,142,128
Plans not approved by stockholders	0	\$ 0.00	0
<b>Total</b>	<b>3,141,583</b>	<b>\$ 12.68</b>	<b>6,142,128</b>

- (a) Represents the number of securities to be issued upon exercise of outstanding options under our 2008 Plan and our Amended and Restated 2001 Stock Incentive Plan, as amended.

We assumed the CES 2003 Stock Incentive Plan and the IEM 2004 Stock Incentive Plan in connection with our September 2005 combination with Complete Energy Services, Inc. and I.E. Miller Services, Inc. in September 2005 (the Combination). While the plans will continue to govern the existing options granted thereunder, they were terminated in connection with the Combination as to any future awards. Similarly, we assumed the Pumpco Services, Inc. 2005 Stock Incentive Plan in connection with our acquisition of Pumpco Services, Inc. in November 2006 and while the plan will continue to govern the existing options granted thereunder, the plan was terminated in connection with the acquisition as to any future awards. As of December 31, 2010, (i) options for 357,411 shares of our common stock were outstanding under the CES 2003 Stock Incentive Plan with a weighted-average exercise price of \$6.69; (ii) options for 52,948 shares of our common stock were outstanding under the IEM 2004 Stock Incentive Plan with a weighted-average exercise price of \$6.69; and (iii) options for 65,000 shares of our common stock were outstanding under the Pumpco Services, Inc. 2005 Stock Incentive Plan with a weighted-average exercise price of \$5.00.

- (b) Represents the weighted-average exercise price of outstanding options under our 2008 Plan and our Amended and Restated 2001 Stock Incentive Plan, as amended.
- (c) Represents the number of securities remaining available for issuance under our 2008 Plan, as all prior plans were terminated as of May 22, 2008.

## **EXECUTIVE COMPENSATION**

### **Compensation Discussion and Analysis**

This Compensation Discussion and Analysis section discusses the compensation programs and policies for our named executive officers and the Compensation Committee's role in the design and administration of these programs and policies, as well as specific compensation decisions for our named executive officers, who consist of:

Joseph C. Winkler, our Chairman of the Board and Chief Executive Officer;

Brian K. Moore, our President and Chief Operating Officer;

Jose A. Bayardo, our Senior Vice President and Chief Financial Officer;