

NORTHERN OIL & GAS, INC.
Form DEF 14A
May 02, 2011

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

SCHEDULE 14A
(RULE 14a-101)
SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the Securities
Exchange Act of 1934 (Amendment No. ___)

Filed by the Registrant T

Filed by a Party other than the Registrant F

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 Rule 14a-12.

Commission File No. 001-33999

NORTHERN OIL AND GAS, 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):

- T No fee required.
 F 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:
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| 1) | Amount Previously Paid: |
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| 3) | Filing Party: |
| 4) | Date Filed: |
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315 Manitoba Ave. Suite 200
NORTHERN OIL AND GAS, INC.
Wayzata, Minnesota 55391

May 2, 2011

Dear Shareholder:

We are pleased to invite you to attend the 2011 Annual Meeting of Shareholders of Northern Oil and Gas, Inc., to be held on June 8, 2011 in Ballroom #3 at the Graves 601 Hotel, 601 1st Avenue North, Minneapolis, Minnesota 55403, commencing at 10:00 a.m. local time.

The formal notice of the meeting and proxy statement follows this cover letter. Enclosed with this proxy statement are your proxy card, a return envelope and a copy of our Annual Report on Form 10-K, for the year ended December 31, 2010.

We hope you are able to attend the meeting.

Thank you.

Northern Oil and Gas, Inc.
/s/ Michael L. Reger
Michael L. Reger
Chairman and Chief Executive Officer

NORTHERN OIL AND GAS, INC.
315 Manitoba Ave. Suite 200
Wayzata, Minnesota 55391

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS
TO BE HELD JUNE 8, 2011

To the Shareholder of Northern Oil and Gas, Inc.:

Notice is hereby given that the Annual Meeting of Shareholders of Northern Oil and Gas, Inc., a Minnesota corporation, will be held on June 8, 2011, in Ballroom #3 at the Graves 601 Hotel, 601 1st Avenue North, Minneapolis, Minnesota 55403, commencing at 10:00 a.m. local time, for the following purposes:

1. To elect directors to serve until the next meeting of Shareholders;
2. To amend and restate our 2009 Equity Incentive Plan;
3. A non-binding advisory vote to approve the compensation of the named executive officers;
4. A non-binding advisory vote on the frequency of the nonbinding advisory vote to approve the compensation of the named executive officers; and
5. To ratify the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for the year fiscal ending December 31, 2011.

Only shareholders of record at the close of business on April 27, 2011 are entitled to notice of and to vote at the Annual Meeting.

You are invited and urged to attend the meeting in person. Whether or not you are able to attend the meeting in person, we urge you to vote your shares as promptly as possible. If you attend the meeting, you may vote your shares in person if you wish, whether or not you submitted a proxy prior to the meeting.

By Order of the Board of Directors
/s/ Michael L. Reger
Michael L. Reger
Chairman and Chief Executive Officer

Wayzata, Minnesota
May 2, 2011

TABLE OF CONTENTS

	Page
THE ANNUAL MEETING	1
VOTING INSTRUCTIONS	2
CORPORATE GOVERNANCE	3
SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT	7
SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE	8
PROPOSAL 1: ELECTION OF DIRECTORS	9
PROPOSAL 2: RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTANTS	12
PROPOSAL 3: APPROVAL OF AMENDMENT AND RESTATEMENT OF 2009 EQUITY INCENTIVE PLAN	14
PROPOSAL 4: NONBINDING ADVISORY VOTE TO APPROVE THE COMPENSATION OF THE NAMED EXECUTIVE OFFICERS	21
PROPOSAL 5: NONBINDING ADVISORY VOTE ON THE FREQUENCY OF THE NONBINDING ADVISORY VOTE TO APPROVE THE COMPENSATION OF THE NAMED EXECUTIVE OFFICERS	22
EXECUTIVE COMPENSATION	23
COMPENSATION COMMITTEE REPORT	29
AUDIT COMMITTEE REPORT	38
CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS	39
NORTHERN OIL AND GAS, INC. FORM 10-K	40
SHAREHOLDER PROPOSALS FOR 2012 ANNUAL MEETING	40
OTHER MATTERS	41

APPENDIX A – AMENDED AND RESTATED 2009 EQUITY INCENTIVE PLAN

NORTHERN OIL AND GAS, INC.
315 Manitoba Ave. Suite 200
Wayzata, Minnesota 55391

PROXY STATEMENT

ANNUAL MEETING OF SHAREHOLDERS

TO BE HELD JUNE 8, 2011

THE ANNUAL MEETING

We are furnishing you this proxy statement in connection with the solicitation of proxies by our board of directors in connection with the Annual Meeting of Shareholders of Northern Oil and Gas, Inc. to be held on June 8, 2011, in Ballroom #3 at the Graves 601 Hotel, 601 1st Avenue North, Minneapolis, Minnesota 55403, commencing at 10:00 a.m. local time. No cameras or recording equipment will be permitted at the meeting.

Definitive copies of this proxy statement and related proxy card are first being sent on or about May 3, 2011 to all shareholders of record at the close of business on April 27, 2011 (the "record date"). On the record date there were 63,135,424 shares of our common stock outstanding and entitled to vote at the meeting, which were held by approximately 395 holders of record.

Quorum; Abstentions; Broker Non-Votes

A quorum is necessary to hold a valid meeting. The attendance by proxy or in person of holders of one-half of the total voting power of the outstanding shares of our company's common stock entitled to vote, represented in person or by proxy, is required to constitute a quorum to hold the meeting. Abstentions and broker non-votes are counted as present for establishing a quorum, but are not counted towards approval of the proposal to which such abstention or non-vote relates. A broker "non-vote" occurs when shares are held by a broker and (i) the broker does not have discretionary authority to vote on a particular matter and (ii) the broker has not received voting instructions from its customer.

If a properly executed proxy is returned and the shareholder has not indicated how the shares are to be voted at the meeting, the shares represented by such proxy will be considered present at the meeting for purposes of determining a quorum and will be voted in favor of each proposal presented at the meeting. If a properly executed proxy is returned and the shareholder has withheld authority to vote for one or more nominees or voted against or abstained from voting on the ratification of our independent reregistered public accountants, the shares represented by such proxy will be considered present at the meeting for purposes of determining a quorum and for purposes of calculating the vote, but will not be considered to have been voted in favor of such matter.

VOTING INSTRUCTIONS

You are entitled to one vote for each share of common stock that you own as of the close of business on the record date. Please carefully read the instructions below on how to vote your shares. Because the instructions vary depending on how you hold your shares, it is important that you follow the instructions that apply to your particular situation.

If Your Shares are Held in Your Name

Voting by proxy. Even if you plan to attend the meeting, please execute the proxy promptly by signing, dating and returning the enclosed proxy card by mail in the return envelope provided.

Voting in person at the meeting. If you plan to attend the meeting, you can vote in person. In order to vote at the meeting, you will need to bring your share certificates or other evidence of your share ownership with you to the meeting.

Revoking your proxy. As long as your shares are registered in your name, you may revoke your proxy at any time before it is exercised at the meeting. There are several ways you can do this:

§ by filing a written notice of revocation with our corporate secretary prior to commencement of the meeting;

§ by submitting another proper proxy with a more recent date than that of the proxy first given by signing, dating and returning a proxy card to our company by mail; or

§ by attending the meeting and voting in person.

If Your Shares are Held in “Street Name”

Voting by proxy. If your shares are registered in the name of your broker or nominee, you will receive instructions from such broker or nominee (i.e. the “holder of record”) that you must follow in order for your shares to be voted.

Voting in person at the meeting. If you plan to attend the meeting and vote in person, you should contact your broker or nominee to obtain a broker’s proxy card and bring it and your account statement or other evidence of your share ownership with you to the meeting.

Revoking your proxy. If your shares are held in street name, you must contact your broker or nominee to revoke your proxy.

Voting Rules

By giving us your proxy, you authorize the individuals named on the proxy card to vote your shares in the manner you indicate at the meeting or any adjournments thereof. Shares represented by a proxy properly submitted prior to the meeting will be voted at the meeting in the manner specified on such proxy. If you return your proxy but do not specify how you want to vote your shares at the meeting, your shares will be voted in accordance with the recommendation of our board of directors on each proposal.

Voting List

Our bylaws require that we make available for inspection by any shareholder, at least ten days before each meeting of the shareholders, a complete list of the shareholders entitled to vote at such meeting or any adjournment thereof, for a period of ten days prior to such meeting and during the whole time of the meeting.

Such list will be available for inspection during normal business hours by appropriate parties at our principal executive offices located at 315 Manitoba Ave., Suite 200, Wayzata, Minnesota 55391. If you would like to review such list, please contact Investor Relations in advance via telephone at (952) 476-9800 or by mail to Northern Oil and Gas, Inc., 315 Manitoba Ave., Suite 200, Wayzata, Minnesota 55391, Attention: Investor Relations.

Tabulating the Vote

Broadridge will tabulate votes in preparation for the meeting. Our officers and employees will act as inspectors of election at the meeting. All votes received prior to the meeting date will be tabulated by our transfer agent, who will separately tabulate affirmative votes, abstentions and broker non-votes. All votes cast at the meeting will be tabulated by our officers and employees, who will separately tabulate affirmative votes, abstentions and broker non-votes.

Other Information

We will bear the cost of soliciting proxies. In addition to this notice by mail, we request and encourage brokers, custodians, nominees and others to supply proxy materials to shareholders and we will reimburse them for their expenses. Our officers and employees may, by letter, telephone, facsimile, electronic mail, or in person, make additional requests for the return of proxies, although we do not reimburse our own employees for soliciting proxies. We have engaged Morrow & Co., LLC, 470 West Ave, Stamford, CT 06902 (“Morrow”) to assist us with soliciting proxies in connection with the Annual Meeting. We will develop a program pursuant to which Morrow will solicit shareholder votes for the Annual Meeting utilizing both mailing and telephone campaigns. Morrow will focus its efforts on contacting our largest shareholders, until such time as we receive the requisite number of votes required to approve each proposal. We have agreed to pay Morrow a \$9,000 engagement fee for their services. Should a call campaign to individual holders of record and/or non-objecting beneficial owners be needed, we will pay a fee of \$6.50 for each initial telephone call to solicit votes for the Annual Meeting from a targeted group of holders who have been mutually agreed upon. This fee includes the cost of the telecommunicators, directory assistance and related telephone expenses. We will also reimburse Morrow for their actual out-of-pocket expenses incurred in connection with their services.

Shareholders are not entitled to any dissenter’s or appraisal rights for any of the proposals set forth in this Proxy Statement.

CORPORATE GOVERNANCE

Our Board of Directors and Committees

Meetings and Attendance

Our board of directors held nine meetings in 2010, its audit committee held four meetings in 2010, its compensation committee held three meetings in 2010 and its nominating committee held one meeting in 2010. Each director attended at least 75% of the board of directors meetings held in 2010 and each member of the audit, compensation and nominating committees attended all of the applicable committee meetings held in 2010.

Board Committees

The board of directors has standing audit, compensation and nominating committees. As of May 2, 2011, all three committees consisted solely of independent directors. The table below shows the current membership of the committees and identifies our independent directors.

Name	Audit Committee	Compensation Committee	Nominating Committee	Independent Directors
Ryan R. Gilbertson				
Robert Grabb	ü	ü	ü*	ü
Jack King			ü	ü
Lisa Meier	ü*	ü*		ü*
Loren J. O'Toole	ü	ü	ü	ü
Michael L. Reger				
Carter Stewart				ü

* Denotes committee chairman. Ms. Meier also serves as our lead independent director.

We have adopted written charters for each of our committees. Current copies of all committee charters appear on our website at <http://www.northernoil.com/investor-relations/corporate-governance> and are available in print upon written request to Northern Oil and Gas, Inc., 315 Manitoba Ave., Suite 200, Wayzata, Minnesota 55391, Attention: Corporate Secretary.

Audit Committee and Financial Expert

The audit committee's primary function is to assist our board of directors in its general oversight of our company's financial reporting, internal control and audit functions. The audit committee's main duties include recommending a firm of independent certified public accountants to audit the annual financial statements, reviewing the independent auditor's independence, the financial statements and their audit report and reviewing management's administration of the system of internal accounting controls. Ms. Meier is an "audit committee financial expert" as defined in the applicable the Securities and Exchange Commission ("SEC") rules and an "independent director" as defined in Section 803.A(2) of the NYSE Amex Company Guide.

Our audit committee charter also requires that the audit committee review and approve all material transactions between our company and its directors, officers and 5% or greater shareholders, as well as all material transactions between our company and any relative or affiliate of any of the foregoing.

To assist the audit committee in fulfilling its duties, our management provides the committee with information and reports as needed and requested. Our audit committee also is provided access to our general counsel and the ability to retain outside legal counsel or other experts at its sole discretion if it deems such action to be necessary.

Compensation Committee

Our compensation committee charter authorizes our compensation committee to review and approve annual base salary and incentive compensation levels, employment agreements and benefits of the chief executive officer and other key executives, as well as equity-based compensation awarded to any employee. The compensation committee charter provides that the committee may retain consultants and advisors to advise the committee on compensation

issues requiring outside expertise. The compensation committee may also consult with our audit committee and our independent auditors regarding an annual review of the expense accounts of executives and for the purpose of reviewing any calculations required under any company incentive compensation plans.

Compensation Committee Interlocks and Insider Participation

None of the members of our compensation committee is a former or current officer or employee of our company or is an executive officer of another company where an executive officer of our company serves as a director.

Nominating Committee

Our nominating committee charter provides that persons nominated for election or appointment as directors shall be evaluated by the nominating committee in light of their education, reputation, experience, independence, leadership qualities, personal integrity and such other criteria as the nominating committee deems relevant. The nominating committee does not have a specific policy as to considering diversity in identifying nominees for director, however seeking to build a board with diversity of experience and skills is one of the other criteria that the nominating committee may deem relevant in its evaluation.

Our nominating committee has adopted specific qualifications that they believe are necessary and appropriate for membership on our board of directors. The nominating committee identifies and evaluates nominees through internal discussions with committee members, management and other board members. The nominating committee meets annually to review board qualifications, assess whether our existing board members meet those qualifications and discuss whether any additional individuals should be nominated to serve on our board of directors. Our nominating committee has not adopted procedures for considering candidates recommended by security holders, but our nominating committee charter provides that the nominating committee will develop policies and procedures for shareholders to nominate candidates for evaluation by the committee. Our nominating committee intends to adopt those procedures if and when a shareholder nominates a candidate depending on the specific facts and circumstances of such nomination.

Our nominating committee charter provides that the nominating committee may retain consultants and advisors to assist it in the process of identifying and evaluating candidates. The nominating committee may also seek advice from our regular counsel or retain separate counsel to assist it in the execution of its responsibilities.

Director Independence

Our board has determined each of Robert Grabb, Jack King, Lisa Meier, Loren J. O'Toole and Carter Stewart to be an "independent director" as defined in Section 803.A(2) of the NYSE Amex Company Guide. In this regard, the board of directors has affirmatively determined that a majority of its members are independent directors. There are no familial relationships between any of our directors and executive officers.

Board Leadership Structure and Role in Risk Oversight

Mr. Reger has been our chief executive officer and chairman of the board since our inception. We believe that Mr. Reger's combined service in these roles creates unified leadership for the board and our company, with one cohesive vision for our organization. This leadership structure, which is common among U.S.-based publicly traded companies, demonstrates to those with whom we do business, our employees and our shareholders that we are under strong leadership. We believe the oversight provided by all of our board's independent directors and the work of our board's committees provides effective oversight of our strategic plans and operations. In addition, during 2010 our board of directors appointed Ms. Meier to serve as our lead independent director to ensure proper oversight of the board by another independent director in addition to our chairman. Our lead director acts as a liaison between the non-management directors and management, chairs the executive sessions of

non-management directors and consults with the chairman on agendas for the board. We believe having one person serve as chairman and chief executive officer combined with the additional enhanced oversight leadership provided by our lead independent director is consistent with the best interests of our company and our shareholders.

Our management is responsible for defining the various risks we face, formulating risk management policies and procedures and managing our risk exposure. The board's responsibility is to monitor our risk management processes by informing itself concerning our material risks and evaluating whether management has reasonable controls in place to address the material risks. The audit committee of the board is primarily responsible for monitoring management's responsibility in the area of risk oversight. Accordingly, management regularly reports to our lead independent director and the audit committee on risk management. The lead independent director and audit committee, in turn, report on the matters discussed at the committee level to the full board. The audit committee and the full board focus on the material risks our company faces to assess whether management has reasonable controls in place to address these risks. The board believes this division of responsibilities provides an effective and efficient approach for addressing risk management.

Shareholder Communications with Board Members

The board of directors has provided the following process for shareholders to send communications to the board and/or individual directors. All communications from shareholders should be addressed to Northern Oil and Gas, Inc., 315 Manitoba Ave., Suite 200 in Wayzata, Minnesota 55391, Attention: Corporate Secretary. Communications to individual directors, including the Chairman of the Board, may also be made to such director at our address. All communications sent to the Chair of the Audit Committee or to any individual director will be received directly by such individuals and will not be screened or reviewed by any company personnel. Any communications sent to the board of directors, or the non-management directors as a group, in the care of the Corporate Secretary will be reviewed by him to ensure that such communications relate to the business of our company before being reviewed by the board or the non-management directors, as applicable.

Code of Business Conduct and Ethics

The board of directors has adopted the Northern Oil and Gas, Inc. Code of Business Conduct and Ethics that applies to our directors and employees. A current copy of our Code of Business Conduct and Ethics appear on our website at <http://www.northernoil.com/investor-relations/corporate-governance> and are available in print upon written request to Northern Oil and Gas, Inc., 315 Manitoba Ave., Suite 200, Wayzata, Minnesota 55391, Attention: Corporate Secretary.

Board Member Attendance at Annual Meetings

We encourage all of our directors to attend the annual meeting of shareholders. We generally hold a board meeting coincident with the shareholders' meeting to minimize director travel obligations and facilitate their attendance at the shareholders' meeting. Five of our directors attended our 2010 annual meeting of shareholders.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table presents information, to the best of our knowledge, about the beneficial ownership of our common stock on April 1, 2011, held by those persons known to beneficially own more than 5% of our capital stock and by our directors and executive officers. The percentage of beneficial ownership for the following table is based on 63,135,424 shares of common stock outstanding as of April 1, 2011.

Beneficial ownership is determined in accordance with the rules of the SEC and does not necessarily indicate beneficial ownership for any other purpose. Under these rules, beneficial ownership includes those shares of common stock over which the shareholder has sole or shared voting or investment power. It also includes (unless footnoted) shares of common stock that the shareholder has a right to acquire within 60 days after April 1, 2011 through the exercise of any option or other right. The percentage ownership of the outstanding common stock, however, is based on the assumption, expressly required by the rules of the SEC, that only the person or entity whose ownership is being reported has converted options into shares of our common stock.

Name(1)	Number of Shares	Percent of Common Stock(2)
Certain Beneficial Owners:		
FMR LLC 82 Devonshire Street Boston, MA 02109	8,935,127 (3)	14.16
T. Rowe Price Associates, Inc. 100 E. Pratt Street Baltimore, Maryland 21202	6,849,140 (4)	10.85
Directors and Executive Officers:		
Michael L. Reger	2,994,203 (5)	4.74
Ryan R. Gilbertson	931,347	1.48
Robert Grabb	101,738	*
Lisa Meier	80,481 (6)	*