



CORPORATE GOVERNANCE GUIDELINES

OF

BURLINGTON RESOURCES INC.

As of March 1, 2003

BURLINGTON RESOURCES INC.

Corporate Governance Guidelines

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CORPORATE GOVERNANCE GUIDELINES OF BURLINGTON RESOURCES INC.

I. Board Composition and Director Qualifications

1. Size of Board

It is the sense of the Board that constituting the Board at between nine and twelve members is about the right size. However, the Board would be willing to go to a somewhat larger size in order to accommodate the availability of one or possibly more outstanding candidates.

2. Director Tenure and Retirement Age

It is the sense of the Board that term limits should not be established and it is the policy of the Board that no Director should stand for reelection during or after the year in which he or she will attain the age of seventy two, unless otherwise approved by the Governance and Nominating Committee and the Board.

3. Directors Who Change Their Present Job Responsibility

Management Directors are expected to submit a letter of resignation at the time of retirement from active employment with the Company, or when transferring from his or her most senior management position in the Company, other than as a result of promotion.

Non-Management Directors (i.e., Directors who are not Company officers or employees whether or not they would also qualify as “independent” Directors) are expected to submit a proposed letter of resignation under the following circumstances:

- (i) when a Director retires from his or her principal business organization or other activity with which he or she was identified at the time of election to the Board;
- (ii) whenever a Director’s affiliation or position of principal employment changes after election to the Board; and

- (iii) whenever the health or physical condition of a Director would prevent him or her from satisfactorily fulfilling the responsibilities of the position.

It is the sense of the Board that a Non-Management Director who retires or experiences a change in the position he or she held when most recently elected to the Board should not necessarily leave the Board. There should, however, be an opportunity for the Governance and Nominating Committee to review, and to make a recommendation to the Board with respect to, the continued appropriateness of such Non-Management Director's Board membership under these circumstances.

4. Independence of Directors

It is the policy of the Board that a majority of the members of the Board will be "independent" Directors in accordance with the requirements of applicable laws, rules and regulations, including those of the New York Stock Exchange. A Director will not qualify as an "independent" Director unless the Board has affirmatively determined pursuant to applicable legal and regulatory requirements that such Director has no material relationship with the Company. The Board may adopt categorical standards to assist it in making such independence determinations. The Board will disclose the basis for its determination of director independence in the Company's annual proxy statement in accordance with applicable legal and regulatory requirements. Compliance with the definition of "independent" Director will be reviewed annually by the Governance and Nominating Committee. No more than one-quarter of the Board will be from then current or past management.

5. Number of Directorships

It is the sense of the Board that Non-Management Directors should not be limited from simultaneously serving on other public company boards. Before accepting an invitation to serve on the board of another public company, each Director should consider whether such acceptance would interfere with his or her responsibilities as a Director of the Company and should advise the Chairman of the Board and the Chairman of the Governance and Nominating Committee of any planned acceptance. In addition, Management Directors must obtain approval of the Governance and Nominating Committee prior to accepting an invitation to serve on the board of directors of a public company.

6. Board Membership Criteria

The Governance and Nominating Committee is responsible for evaluating, and for periodically reviewing with the Board, the appropriate mix of skills and characteristics required of Board members in the context of the perceived needs of the Board at a given point in time and shall periodically review and update the criteria as deemed necessary.

The following criteria will be considered in selecting candidates for the Board:

- (i) independence;
- (ii) wisdom;
- (iii) integrity;
- (iv) understanding and general acceptance of the Company's corporate philosophy;
- (v) valid business or professional knowledge and experience that can bear on the Company's and the Board's challenges and deliberations;
- (vi) proven record of accomplishment with excellent organizations;
- (vii) inquiring mind;
- (viii) willingness to speak one's mind;
- (ix) ability to challenge and stimulate management;
- (x) future orientation;
- (xi) willingness to commit time and energy;
- (xii) diversity; and
- (xiii) international/global experience.

Consistent with past practices, the Board is committed to a strong and diverse membership and to a thorough process to identify those individuals who can best contribute to the Company's continued success. As part of this process, the Governance and Nominating Committee will continue to take all reasonable steps to identify and consider for Board membership all candidates who satisfy the business needs of the Company at the time of appointment.

7. Selection of Directors

The Board is responsible for selecting director nominees for election to the Board and for filling vacancies on the Board and newly created Directorships that may occur between annual meetings of stockholders. The Governance and Nominating Committee is responsible for identifying individuals qualified to serve on the Board and recommending that the Board of Directors select director nominees for election to the Board and to fill vacancies and newly created Directorships. The Governance and Nominating Committee will also consider proposals for nominees for Director from stockholders which are made in writing to the Secretary of the Company in compliance with the By-Laws of the Company.

8. Chairman of the Board

The Board has no policy respecting the need to separate or combine the offices of Chairman of the Board and Chief Executive Officer of the Company. It is the sense of the Board that it should be free to make this choice in any way that seems best for the Company at a given point in time.

II. Board and Director Responsibilities; Procedures for Meetings

1. Board and Director Responsibilities

The Board recognizes that the principal responsibility of the Board and each Director is to the stockholders, and that the interests of the Company's employees, customers, suppliers and the communities in which it operates are relevant as a derivative of that responsibility. The Board will regularly monitor the effectiveness of management in order to evaluate whether the Company is being properly managed. It is the sense of the Board, however, that it should not involve itself in the day to day management decisions of the Company.

The Board expects each Director, as well as the Company's officers and employees, to be familiar with and comply with the Company's Code of Business Conduct and Ethics.

2. Frequency and Length of Meetings

The annual schedule for regular meetings of the Board will be submitted and approved by the Board in advance. Board meetings will be for such length of time as may be required to cover the subjects on the scheduled agenda. Special meetings of the Board may be called by the Chairman of the Board or the President and will be called by the Secretary on the written request of five Directors. Directors are expected to attend Board meetings and the

meetings of committees on which they serve, and to spend the time required and meet as frequently as necessary to properly discharge their responsibilities.

3. Selection of Agenda for Board Meetings

The Chairman of the Board and President will establish the agenda for each Board meeting. At the beginning of the Board year (from annual stockholders meeting to annual meeting), the Chairman of the Board will establish a schedule of agenda subjects to be discussed during the year (to the extent these can be foreseen). The agenda for each meeting will be distributed to Directors in advance. Board members may suggest items for inclusion on the agenda and, subject to the will of the majority of those Directors present, may raise for discussion at any Board meeting subjects not on the agenda.

4. Board Materials Distributed in Advance

Information and data that are important to the Board's understanding of the Company's business will be distributed in writing to Directors the week before the scheduled Board meeting and as far in advance as is practicable before special Board meetings. Directors have a responsibility to review these materials in advance of such scheduled meetings. The Company's officers will strive to make the information clear and concise yet comprehensive, and will make an ongoing effort to solicit suggestions from Non-Management Directors on how to best meet their information needs. Directors will also receive and are expected to review the monthly financial statements, earnings reports, significant press releases, certain analyst reports and other information designed to keep them informed of material aspects of the Company's business, performance and prospects.

5. Meetings of Non-Management Directors

To promote open and unfettered discussion among Non-Management Directors, such Directors will meet at regularly scheduled executive sessions without management. Except as otherwise designated, the Chairman of the Compensation Committee shall serve as the presiding Non-Management Director at each such executive session.

III. Board Committees

1. Number and Structure

The Board will at all times have an Audit Committee, a Compensation Committee and a Governance and Nominating Committee. These Committees and all of the members of these Committees will satisfy and comply with the independence requirements of the New York Stock Exchange and all other applicable laws, rules and regulations. Committee members will be recommended by the Governance and Nominating Committee and approved by the Board and may be removed by the Board in its discretion. The Board may also form additional committees. A Non-Management Director may attend any Committee meeting *ex officio* with the concurrence of the chairman of such committee.

2. Committee Agenda

The Chairman of each Committee, in consultation with appropriate members of the applicable Committee and management, will develop the Committee's agenda. At the beginning of the Board year, each Committee will establish a schedule of agenda subjects to be discussed during the year (to the extent these can be foreseen).

3. Committee Charter; Annual Self-Evaluation

Each of the Audit Committee, the Compensation Committee and the Governance and Nominating Committee will develop, maintain and comply with a charter describing, among other things, its duties and responsibilities in accordance with applicable legal and regulatory requirements, including those of the New York Stock Exchange. Additional Committees formed or maintained by the Board may, under the leadership of their respective Chairmen, develop and maintain charters describing their respective duties and responsibilities. Charters developed or amended will be reviewed by the Committee and approved by the Board. Each Committee shall, on an annual basis, review and reassess the adequacy of its charter, conduct an evaluation of its performance during such past year, and report these findings to the full Board as appropriate.

4. Disclosure of Committee Activities

The Chairman of each Committee will report to the Board, no later than the next regularly scheduled meeting of the Board following a Committee meeting, on all significant matters discussed, actions taken and recommendations made by the Committee. The Chairman and other Committee members will have an opportunity to comment on Committee activities at

each Board meeting. Copies of the final minutes of all Committee meetings will be distributed to all Directors.

5. Number of Audit Committee Directorships

Members of the Audit Committee shall not simultaneously serve on the audit committee of more than three public company boards (including the Company's).

IV. Board Access to Management and Independent and Outside Advisors

1. Board Access to Management and Counsel

Directors will have open access to the Company's management team and counsel. Directors may contact members of the management team without permission of the Chief Executive Officer. However, they should use judgment to insure that this contact is not distracting to Company business operations. Other than correspondence relating to the activities of a Committee which is sent by the Chairman of such Committee to the officer designated as the coordinator for such Committee, correspondence from a Board member to a member of the management team should be copied to the Chief Executive Officer and Chairman of the Board.

Furthermore, the Board encourages the management team to, from time to time, bring executives into Board meetings who (i) can provide additional insight into the items being discussed because of personal involvement in these areas, and/or (ii) are managers with future potential that the senior management believes should be given exposure to the Board.

2. Board and Committee Access to Independent and Outside Advisors

The Board and each Committee shall have the authority to engage independent or outside counsel, accountants or other advisors, in each case of its choice and as it determines to be necessary or appropriate. All related fees and costs of such advisors shall be paid promptly by the Company in accordance with its normal business practices.

V. Chief Executive Officer Evaluation and Management Succession

1. Evaluation of Chief Executive Officer

The Compensation Committee will meet in an executive session without management to evaluate the performance of the Chief Executive Officer at least once a year for the purpose of setting the compensation of the Chief Executive Officer. The following factors will be considered in evaluating the performance of the Chief Executive Officer:

- (i) leadership and vision;
- (ii) integrity;
- (iii) keeping the Board informed on matters affecting the Company and its operating units;
- (iv) performance of the business;
- (v) development and implementation of initiatives to provide long-term economic benefit to the Company;
- (vi) accomplishment of strategic objectives; and
- (vii) succession planning and development of management.

The Non-Management Directors shall meet in an executive session without management to evaluate the performance of the Chief Executive Officer. The meeting shall be chaired by the Chairman of the Compensation Committee. The Chairman of the Compensation Committee will communicate the evaluation to the Chief Executive Officer.

2. Management Succession

The Board will work in cooperation with the Governance and Nominating Committee to develop policies and principles with respect to the search for and evaluation of potential successors to the Chief Executive Officer and senior management. The Chief Executive Officer should at all times make available his or her recommendations and evaluations of potential successors, along with a review of any development plans recommended for such individuals in the event that he or she should unexpectedly retire or be otherwise unable or unwilling to perform his or her respective duties. At least annually, and more frequently if appropriate, the Chief Executive Officer should present his recommendations to the Board of Directors in an executive session. Following such presentation, the Non-Management Directors will re-

view the recommendations in an executive session chaired by the Chairman of the Governance and Nominating Committee.

VI. Board Orientation, Compensation and Self-Evaluation

1. Director Orientation and Continuing Education

All new Directors must participate in the Company's Orientation Program, which should be conducted as soon as practicable following the annual meetings at which new Directors are elected or following the appointment of a new Director by the Board of Directors in order to fill an existing or newly created vacancy on the Board of Directors. This orientation will include presentations by senior management to familiarize new Directors with the Company's strategic plans, significant financial, accounting and risk management issues, compliance programs, Code of Business Conduct and Ethics, senior management, the internal audit department and the independent auditor.

The Board encourages, but does not require, Directors periodically to pursue continuing education opportunities in the form of programs, sessions or materials with respect to the responsibilities of Directors of public companies and will reimburse Directors for reasonable expenses incurred in connection with such continuing education.

2. Director Compensation

The Compensation Committee will recommend to the Board the form and amount of Director compensation, taking into consideration whether Directors are being rewarded in a manner consistent with the compensation strategy of the Company, competitive market practices and applicable legal and regulatory requirements.

3. Board Self-Evaluation

The Board will conduct a self-evaluation annually to determine whether it and its Committees are functioning effectively. This review will be overseen by the Governance and Nominating Committee. The objective of the self-evaluation is to increase the effectiveness of the Board, and thereby its value to the Company, through the consideration of, among other things, improved and alternative Board structures, organization or processes.

VII. General

1. Reporting of Concerns to Non-Management Directors

Anyone who has a concern about the Company may communicate that concern directly to the presiding Non-Management Director. Such communications may be mailed to the Corporate Secretary. All such communications will be forwarded to the appropriate Directors for their review. The presiding Non-Management Director may take any action deemed appropriate or necessary, including the retention of independent or outside counsel, accountants or other advisors, with respect to any such communication addressed to them. No adverse action will be taken against any individual making any such communication to the presiding Non-Management Director.

2. Periodic Review of These Guidelines

The operation of the Board is a dynamic and evolving process. Accordingly, these Corporate Governance Guidelines will be reviewed at least annually by the Governance and Nominating Committee and any recommended revisions will be submitted to the Board for consideration.

3. Intent

These Corporate Governance Guidelines are intended to be a statement of general principles to guide the Board in formulating corporate policy in accordance with applicable laws, rules and regulations, including those of the New York Stock Exchange. The Corporate Governance Guidelines are not rules or By-Laws. They may be amended from time to time by the Board upon the recommendation of the Governance and Nominating Committee. In addition, the Board may on occasion depart from these Corporate Governance Guidelines when circumstances indicate that a departure is in the best interest of the Company and its shareholders.