BURLINGTON™ RESOURCES

Improving Technology Investment Planning with Metering

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PNEC
April 19, 2006

Forward-Looking Statement

BURLINGTON RESOURCES

This presentation contains projections and other forward-looking statements within the meaning of Section 27A of the U.S. Securities Act of 1933 and Section 21E of the U.S. Securities Exchange Act of 1934. These projections and statements reflect the company's current views with respect to future events and financial performance. No assurances can be given, however, that these events will occur or that these projections will be achieved, and actual results could differ materially from those projected as a result of certain factors. A discussion of these factors is included in the company's periodic reports filed with the U.S. Securities and Exchange Commission.

GAAP to Non-GAAP Terms

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For an explanation of reconciliations of GAAP to non-GAAP measures please refer to the Investor Relations section of our Web site.

For additional information regarding non-SEC terms used in this presentation please refer to the Cautionary Note on our Web site.

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Topics

BURLINGTON RESOURCES

- Burlington Resources today
- Decades of acquisitions ➡software explosion
- What did we do?
- Results
- Value to BR

BR's Worldwide Asset Position: 12/31/04

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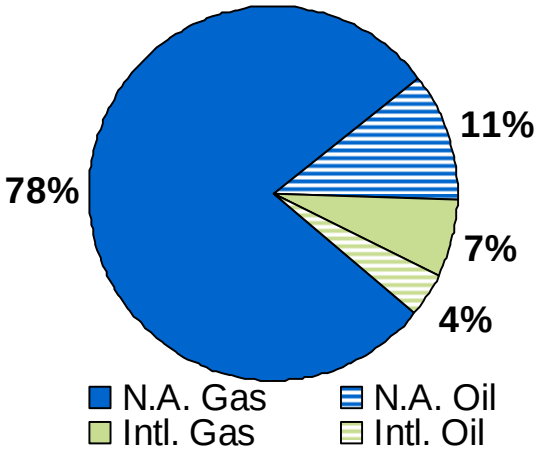
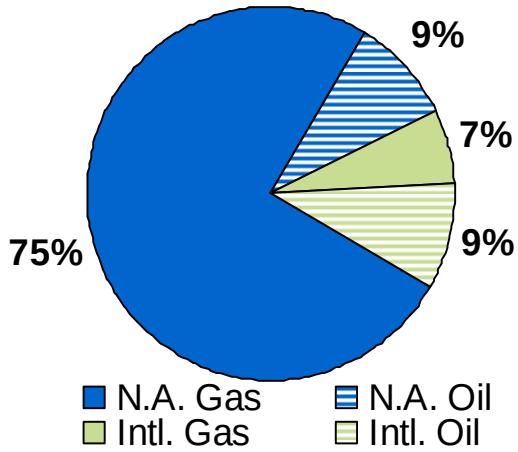
Reserves Worldwide: 12.0 TCFE



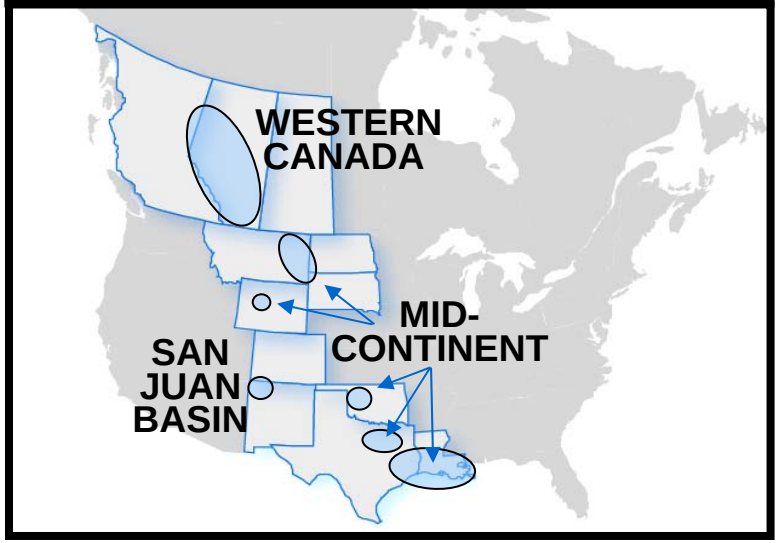
Focus: N. A. Natural Gas

- Net income of $1,527 MM or $3.86/ diluted share
- 125% reserve replacement at $1.27/MCFE
- Proved reserves of 12 TCFE, 89% in North America
- Production of 2,817 MMCFED

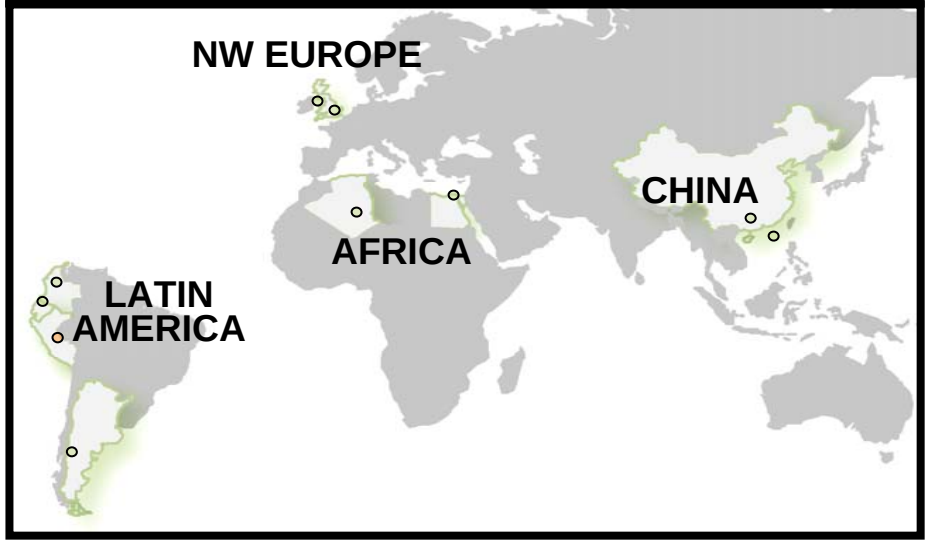
Production Worldwide: 2.8 BCFED



NORTH AMERICA



INTERNATIONAL



Decades of acquisitions ➡ software explosion

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TbarX	2006
GeoVest	2005
Dallas Production	2002
ATCO and other properties	2002
Prytpnbsml	2001
Canadian Hunter	2001
Baker-Hughes	2000
POCO	1999
Oranji-Nassau	1998
Burlington Resources, International	1998
Burlington Resources, N. A.	1998
Louisiana Land & Exploration	1997
Gulfstream Resources, Inc.	1996
Meridian Oil	1996
El Paso Producing Co.	1996
Southland Royalty Co.	1996
Glacier Park Co.	1995
Research Applications	1995
Saxony	1995
Zia Gathering	1995
Odessa Natural Gas	1995
LLECO Holdings	1994

Maxus DSOP	1994
Nerco Oil & Gas	1993
Union Texas Petroleum	1991
Union Texas Petroleum (GOM)	1991
Union Texas Petroleum (onshore)	1991
Unicon	1990
Dreyers Bros	1987
Glacier Park	1987
Cabil Resources Corp.	1987
Clements Energy Inc.	1987
El Paso Hydrocarbons	1986
Inexco Oil Co.	1986
Clarkland	1986
Southland Royalty Co.	1986
LLE Aquistion Inc.	1986
Southland Royalty Co.	1985
El Paso Producing Co.	1984
El Can Petroleum	1984
Enstar Petroleum	1983
CandK Petroleum	1983
McAlester Fuel	1983
Union Texas Petroleum (Sub II)	1983
Supron Energy	1983

Texcan Resources Corp.	1982
FTW Denver RR	1982
UTP Sub II	1982
St Louis-San Francisco RR	1981
PandO Oil	1980
SPSR RR	1979
Publishers Petroleum	1979
Northwest Production	1979
Leede Exploration Co.	1978
Malka Production Co.	1978
Milestone Petroleum	1978
Aztec Oil & Gas Co.	1977
Westhoma Oil Co.	1976
St Louis and Kansas City Land	1976
International Nuclear Corp.	1970
Burlington Northern Railroad	1970
Bateman Island, Inc.	1965
Del Mar Production	?
EPX Co.	?
Franco Western Oil	?
Franco Wyoming Oil	?
Burlington Northern Oil Company	1900
Northern Pacific Railway	1864

Geological applications (Lots of details at wells)

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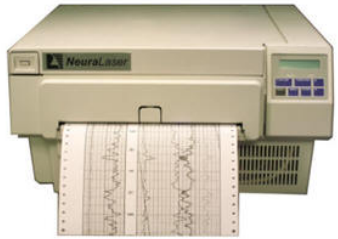
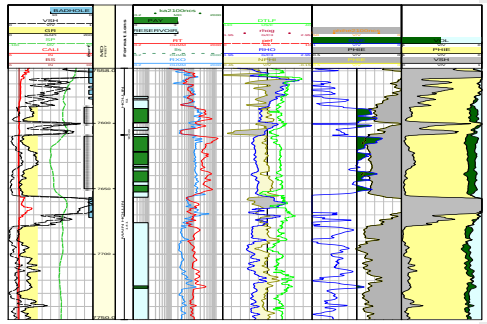
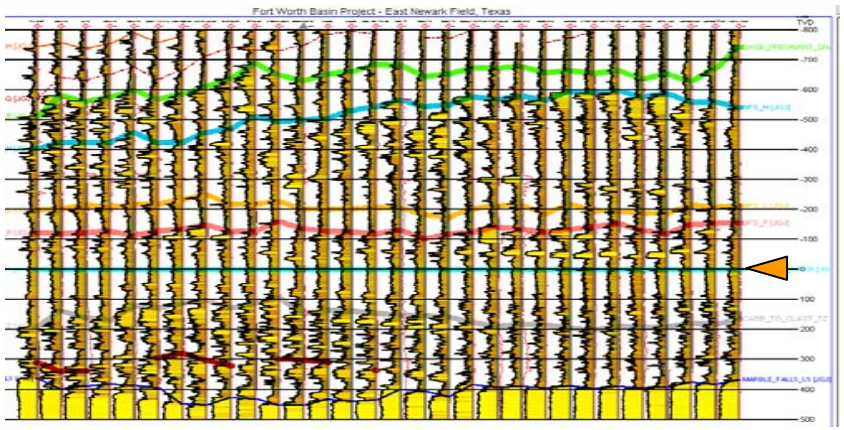
Field trips to examine rocks

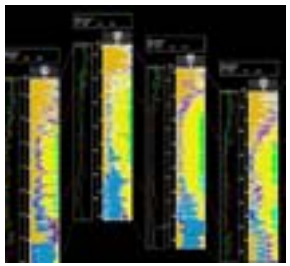


Paper logs and cross-sections

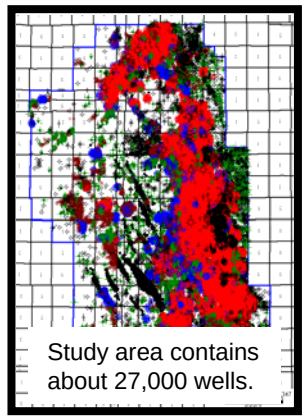


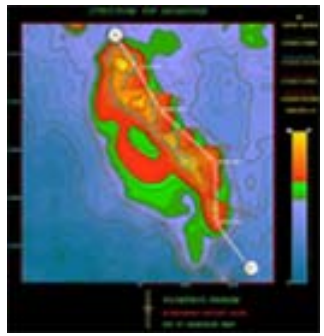
Well log analysis

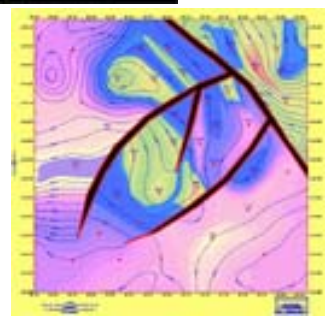




Digital cross-sections







Mapping

Geophysical applications (what's between the wells)

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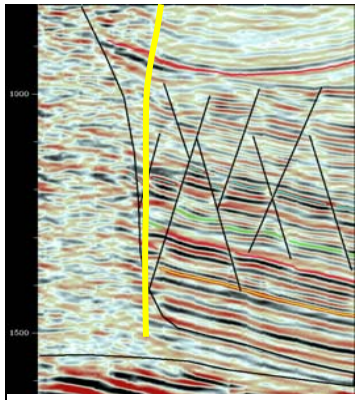
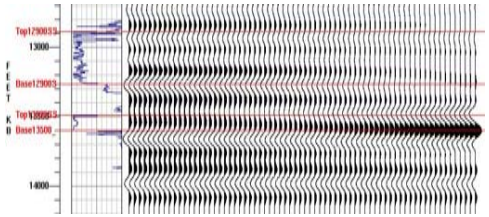
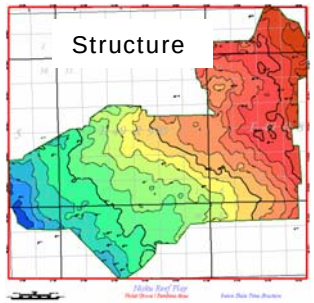
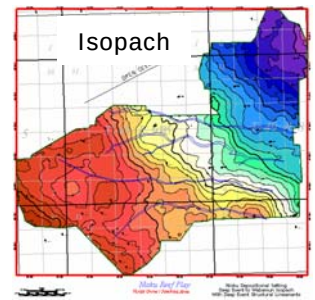


Seismic Interpretation

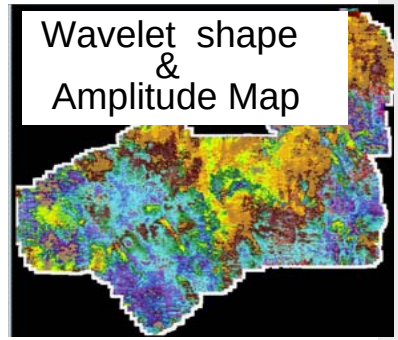


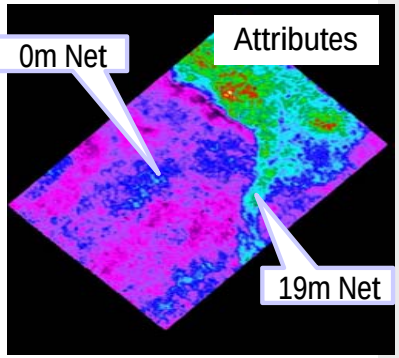
AVO Model - 120' Thick

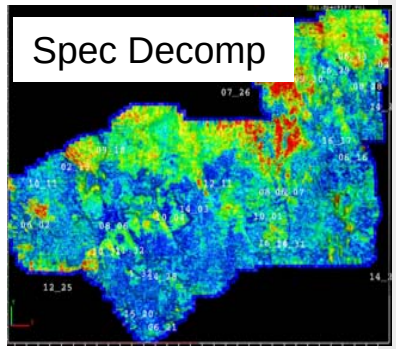


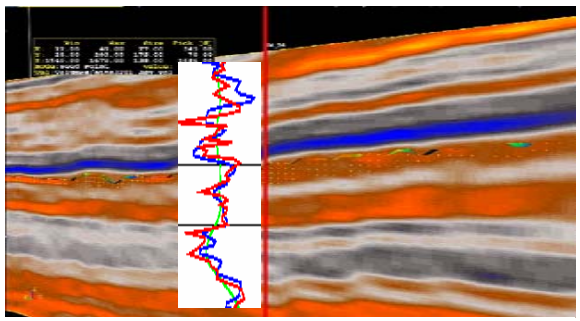


Mapping

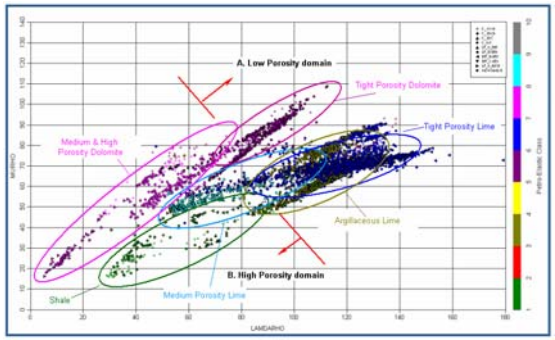








Seismic inverted to
Acoustic Impedance and
Well Logs



Cross-plotting

Vertical resolution issue: 32 ms wavelet (30hz) @ 8000 ft/sec = 32 ft (1/4 wavelength)

3-D Collaboration

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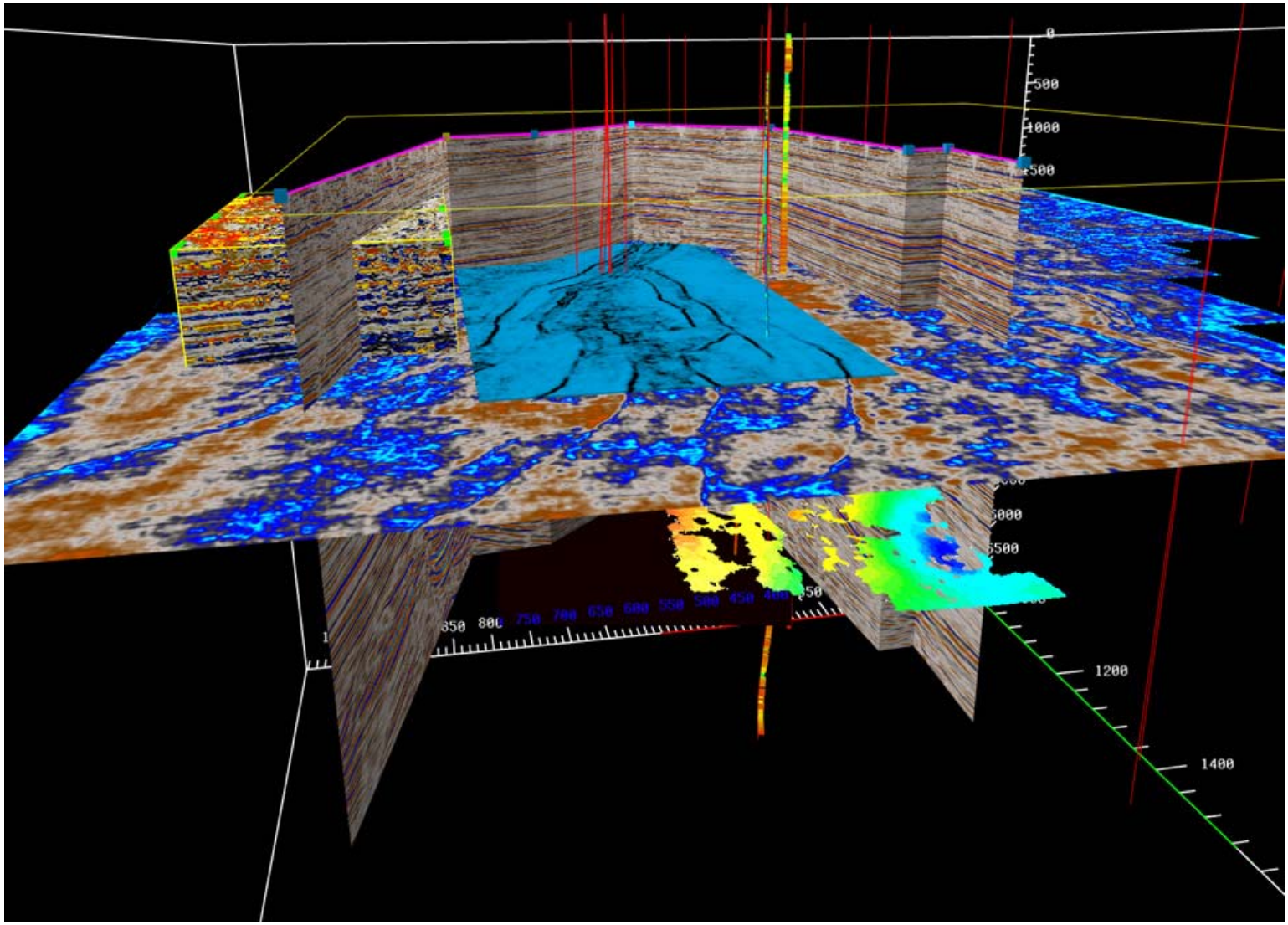

Software explosion ➡ high costs

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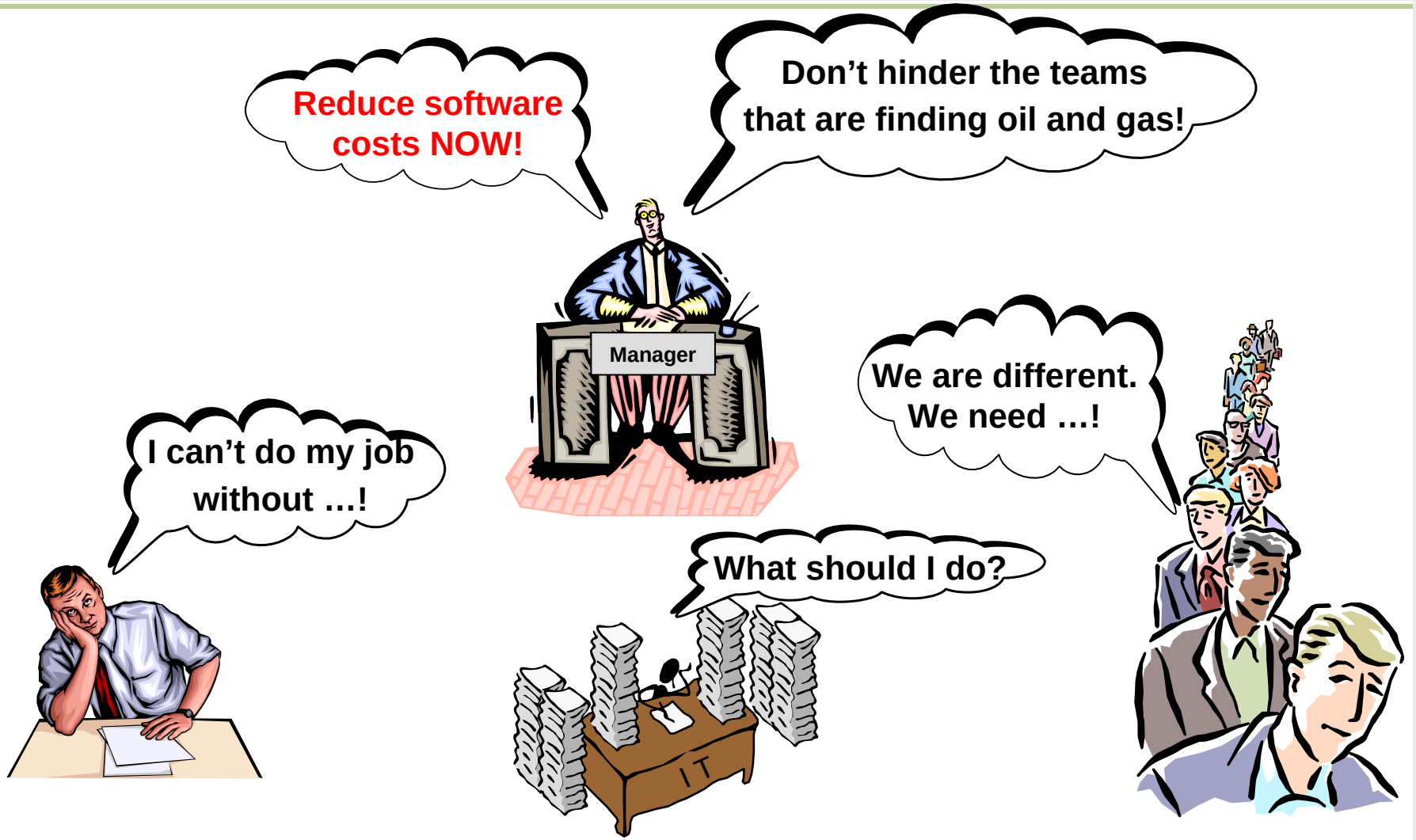

Result: We had at least one of everything (far more than we could support) and no processes to identify or remove disparate software.

Questions were asked…

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- Why are our software costs so high?
- What software do we have?
- How many licenses of each do we have?
- Is all of this software really being used?
- Do we have the right software?
- Is the software installed at the offices where it is needed?
- Can and should we add the newest application that was just released?

Our least favorite:

- Since software costs are so high, maybe we should outsource IT?

Summary: Clean house and replace some of the furniture.

What did we do to reduce software costs?

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- Identify all application functionality
- Identify where they fit into Shared Earth Modeling (SEM)
  - Shared Earth Modeling is a digital 3D representation of the Earth made through multi-discipline collaboration that includes all available geologic, geophysical, and engineering data
  - Conduct a Global Technology Review (GTR) of our exploration teams
  - Add needed software to fill gaps in workflow
- Classify each application according to its Standardization Category
  - Core, Extended Core, Data, Specialty (seldom used or for working with partners)
  - Turn off maintenance on most Specialty Software (put $ into kitty, lease as needed)
- Install software usage monitoring (OpenIT)
  - Rebalance LAN and WAN licenses
  - Determine acceptable levels of denials

SEM: 47 Application Categories

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Databases	Data management	Digitizing
Data viewers	Data browsing	Reporting
Base mapping	Data reformatting/moving	Data preparation
Application connectors	Cartographic projection	Log editing
Synthetic seismograms	2D Seismic interpretation	3D Seismic interpretation
Pre-stack seismic interpretation	Mapping (gridding and contouring)	3D visualization
Log modeling	Cross-sections	Velocity modeling
Depth conversion	Fault interpretation	Log interpretation
Attribute analysis	Volumetrics	Workflow documentation
Presentation mapping	Log analysis	Dip analysis
Fluid analysis	Image processing	Seismic modeling
Structural modeling	Inversion & pore pressure prediction	FK migration
Stratigraphic Modeling	Ray Tracing	Spectral Decomposition
Volume interpretation	Palinspastic reconstruction	Basin analysis
Rock physics modeling	Geostatistics	AVO
Fault analysis	Wavelet extraction	

March 2003 Software Denials (from OpenIT)

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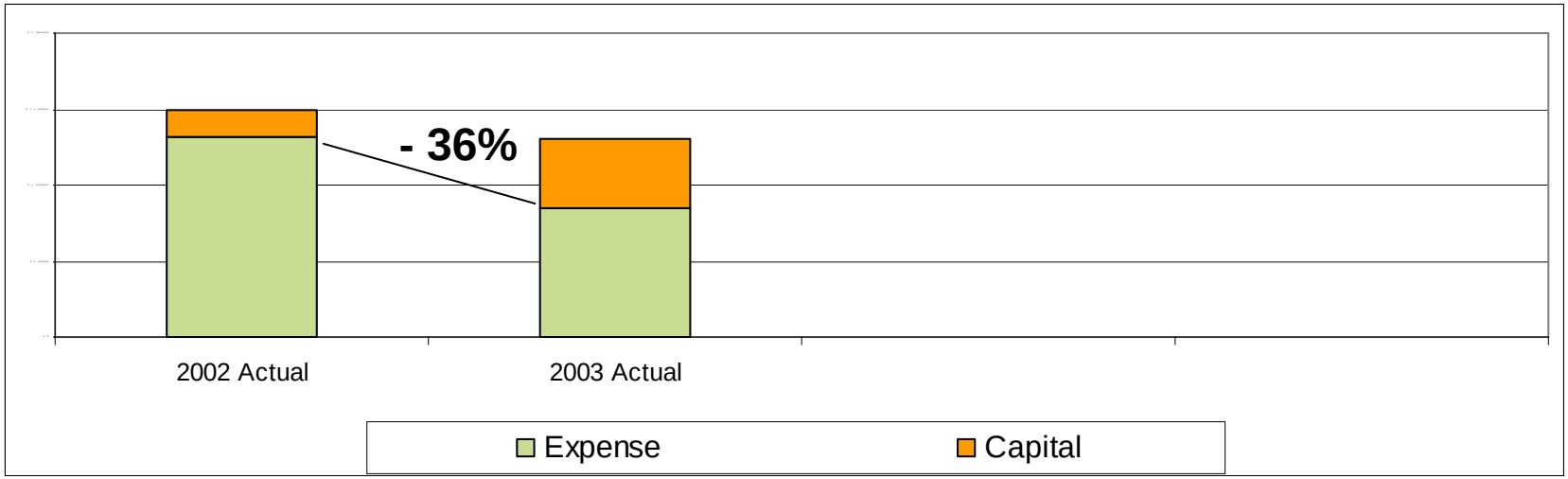
Division	Denial Date	Denials per User	Application	Unix User ID
Houston	3/4/2003	1	STRTWRKS	djk
Houston	3/4/2003	1	STRTWRKS	n2m
Houston	3/5/2003	1	SEIS2D	ocs_div1
Houston	3/13/2003	1	SEIS2D	r6s
Midland	3/5/2003	1	ZMAPPLUS	amm1
Midland	3/5/2003	2	ZMAPPLUS	mal
Midland	3/5/2003	1	ZMAPPLUS	mrb
Midland	3/5/2003	1	ZMAPPLUS	taf
Midland	3/6/2003	1	OPENWORKS	gaw
Midland	3/7/2003	1	OPENWORKS	d1e
Midland	3/7/2003	1	OPENWORKS	taf
Midland	3/21/2003	1	PETROWORKS	gaw
Midland	3/21/2003	1	ZAP	tmd
Midland	3/24/2003	1	ZMAPPLUS	amm1
Midland	3/24/2003	1	ZMAPPLUS	prc
Midland	3/26/2003	1	PETROWORKS_PRO	jln
Calgary	3/4/2003	1	STRTWRKS	lgcadm
Calgary	3/5/2003	1	STRTWRKS	lgc1
Calgary	3/5/2003	1	STRTWRKS	lgc2
Calgary	3/6/2003	1	OEDT	lgc1
Calgary	3/10/2003	1	OPENJOURNAL	lgcadm
Calgary	3/11/2003	1	OEDT	dmm
Calgary	3/11/2003	1	OPENJOURNAL	jpg2
Calgary	3/11/2003	1	OPENJOURNAL	kes
Calgary	3/24/2003	1	OEDT	lgc3
Calgary	3/24/2003	1	PETROWORKS	lgcadm
Calgary	3/27/2003	1	STRTWRKS	rqp
London	NO DENIALS			
San Juan	NO DENIALS			

We have the OpenIT software automatically send emails about denials to key personnel. We know about license issues before the client calls. We can even add licenses or rebalance licenses before the client calls.

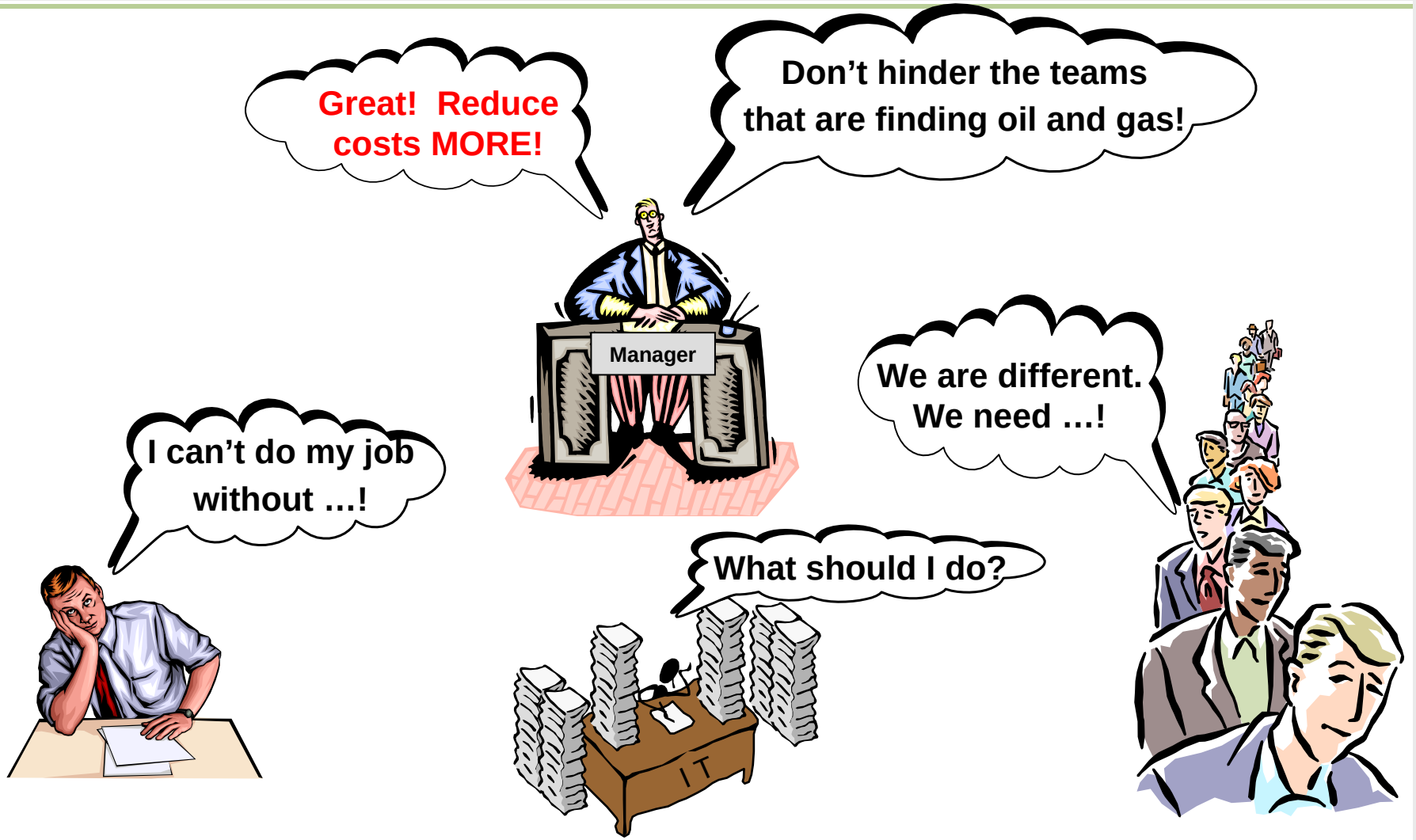
Resulting software maintenance savings!



36% software maintenance cost reduction: 2002 vs. 2003

+ savings in IT staff time and user training

Management wanted more



Question: How do we cut costs more, while the company is growing?

Software usage is increasing

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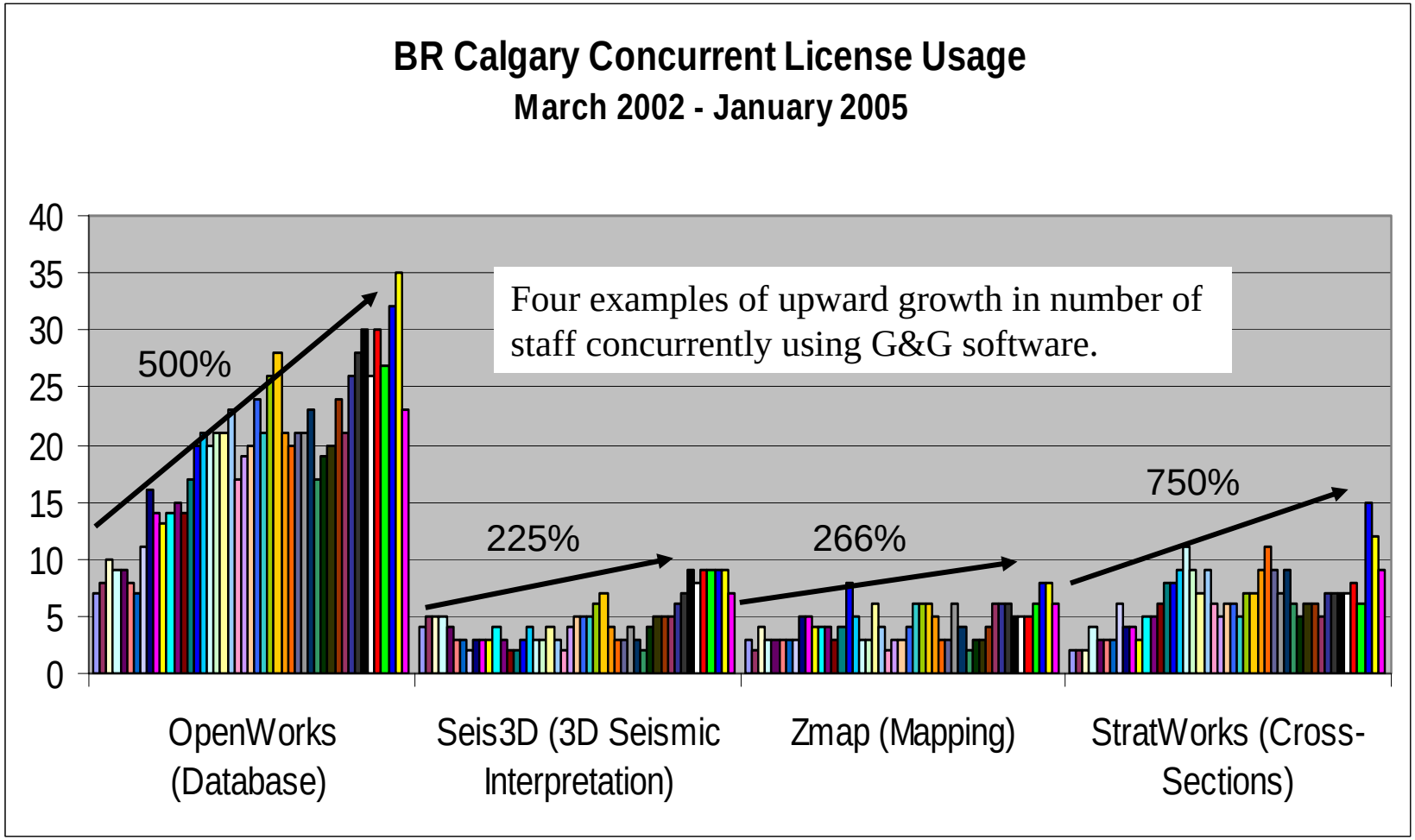

How did we reduce software costs more?

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- IT became very proactive and partnered with operations (form TET)
- Create and publish IT strategy documents
- Classify each application according to its life cycle status
  - Define need, Analyze solutions, Evaluation, Implement, Maintenance, Mature, Discontinued, Obsolete, Retire
  - Develop plans for replacing applications that are at or beyond “mature”
- Create one software spreadsheet
  - Post all information about each application
  - Teach G&G staff how to determine who is using a specific application
  - Automate OpenIT reports and link each chart to the online spreadsheet
  - Teach G&G staff how to shop for applications from the spreadsheet
- Post everything on the portal
- Add Governance to IT financial management
- Make presentations and get G&G staff engaged!
  - Educate G&G staff and management in the Total-Cost-of-Ownership of software
  - Train the G&G staff how to help IT look for cost savings

Application Life Cycle

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Define Needs

Understand workflows and requirements

Analyze Solutions

Compare and weigh choices, vendors, support, training, database needs, integration, compatibility, security, platforms, reliability

Evaluation

IT testing, report defects, training, tuning, integration, acceptance testing, configuration,

Retire

Migrate data to replacement database or application, remove from system, global notification, request data from end users

Implementation

User training, installation, performance testing, growth, problems reported and fixed, enhancements requested, integration continues, support in place

Obsolete

Business requirement changes, newer technology available, product or vendor changes

Maintenance

Stable performance and user base, fully supported, plan for patches and upgrades, monitor license usage

Discontinued

Minimal or no support from vendor, replacement available, may not work with current OS or Oracle, may be incompatible with newer databases or applications

Mature

Patches only, replacements being evaluated

Governance Structure: Executive participation

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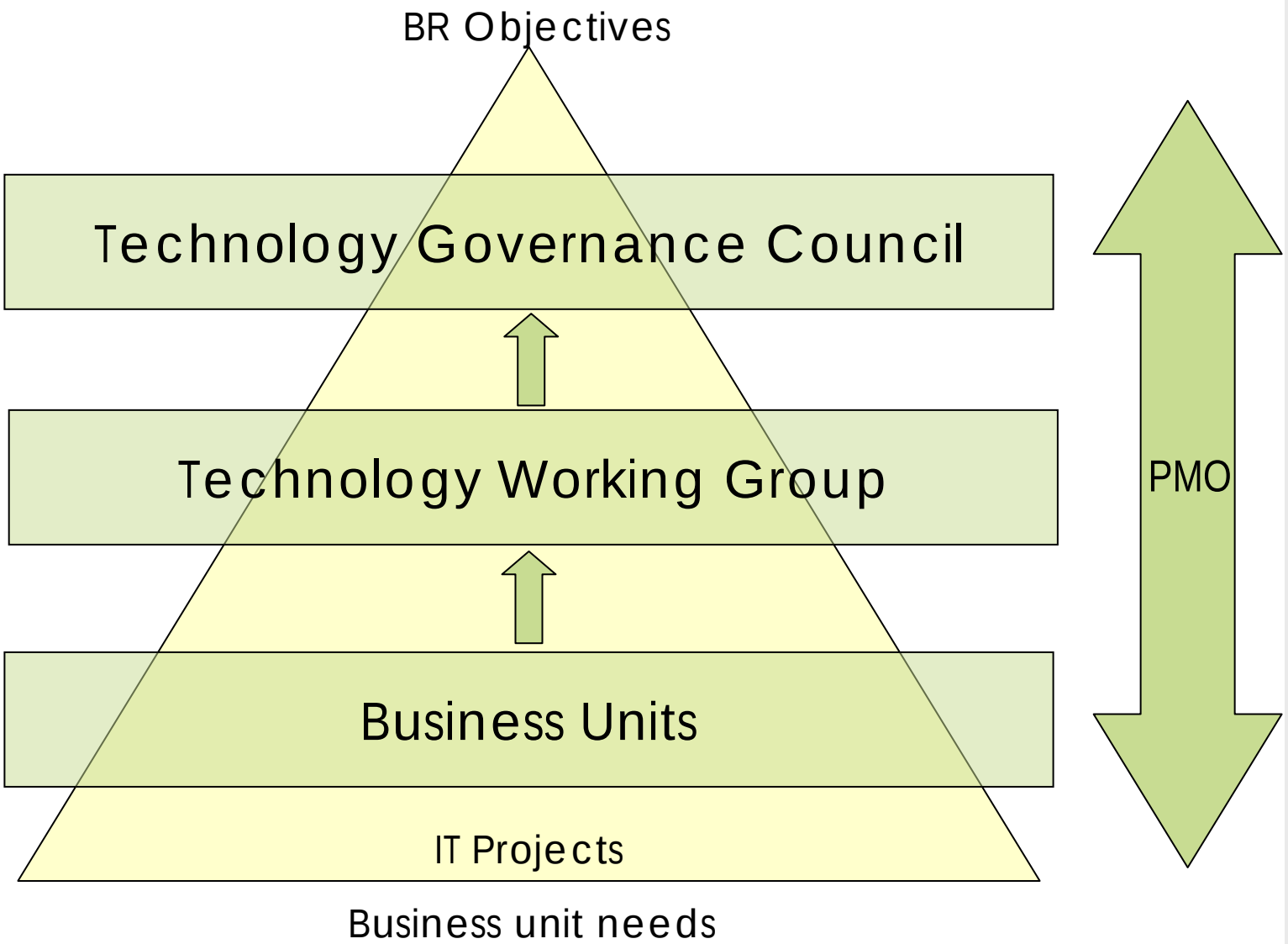
- Approve
- Enforce

- Qualify
- Prioritize
- Review
- Recommend

- Identify
- Quantify
- Manage



Application suites (as of October 2005)

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- Landmark: 53 applications
  - OpenWorks Project Database, GeoProbe 3D Visualization, Interpretation
- Schlumberger: 38 applications
  - Petrel reservoir modeling, Finder data search and retrieval
- Paradigm: 32 applications
  - Geolog geologic mapping and petrophysical analysis, SeisX 2D-seismic interpretation
- ESRI: 9 applications
  - Graphical mapping interface (GIS) for data search and retrieval
- IHS Energy: 11 applications
  - Public well data
- Other: 98 applications
  - Utilities and other specialty analysis

Total: 247 applications under maintenance

Note: For 2000-2005, only ~1/3 of the original applications remain under maintenance

Resulting software maintenance savings!

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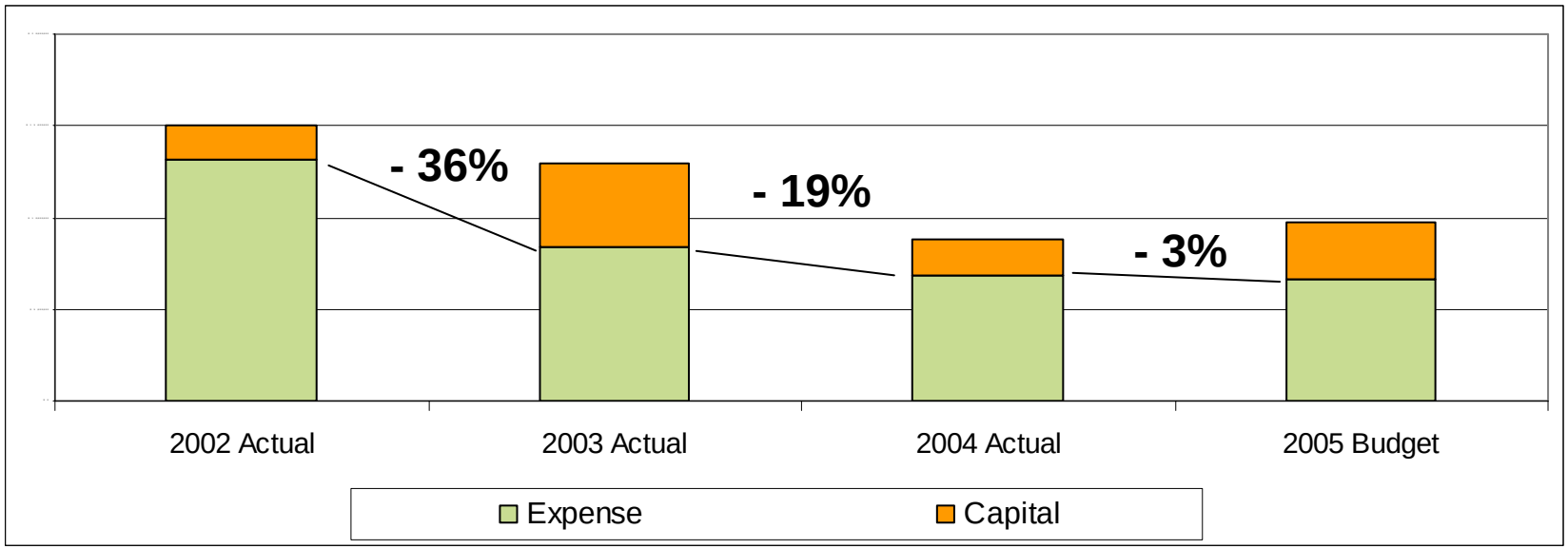

- 36% software maintenance cost reduction: 2002 vs. 2003
- 19% software maintenance cost reduction: 2003 vs. 2004
- 3% software maintenance cost reduction: 2004 vs. 2005
- + savings in IT staff time and user training
- + significant increase in geoscience analysis

Management wanted even more!

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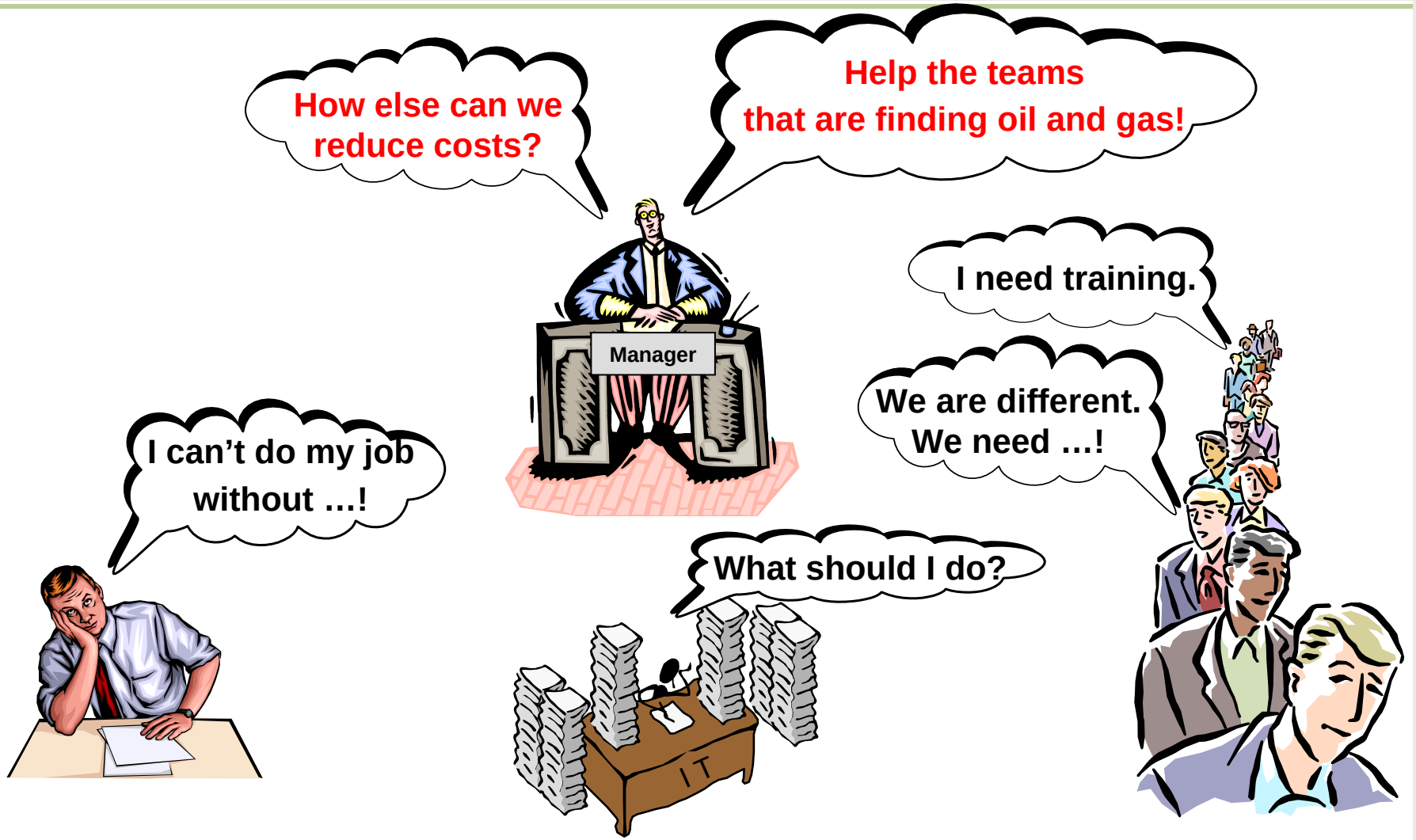

Result: We need to evolve our cost-conscience culture into a disciplined value-conscience culture.

What did BR need to happen?

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- Improve team synergies and global sharing of information
- Shortened project cycle time for G&G staff
- Work from a 3-D representation of the Earth
- Drill fewer dry holes
- Find more reserves per well drilled and find more total reserves
- Preserve analysis results
- Continue reducing annual software costs

Summary: Improve the quality of the work being done.

Standards

Training

Independent Technology Enhancement Team budget

Operations management “Raised the Bar”

What did we do to improve our G&G staff?

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- Create the Geoscience Technology and Training organization
  - Reports to the Vice President of Geoscience and the Chief Geologist
  - Under operations, but works closely with the CIO and IT
- Create the Technology Enhancement Team
- Create the Geophysical Technology Group
- Fund and participate in Outside Technical Research
- Identify and use Centers of Excellence
  - Internal and external
- Fund geoscience training and geology field trips
- Fund software training
  - Classes and mentoring
- Fund and facilitate mini-conferences
- Conduct a second Global Technology Review (GTR)
- Develop strategic workflows




Engaging G&G staff: A challenge

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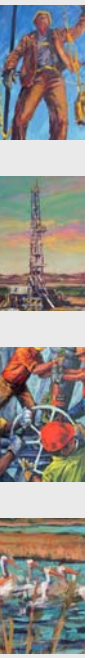

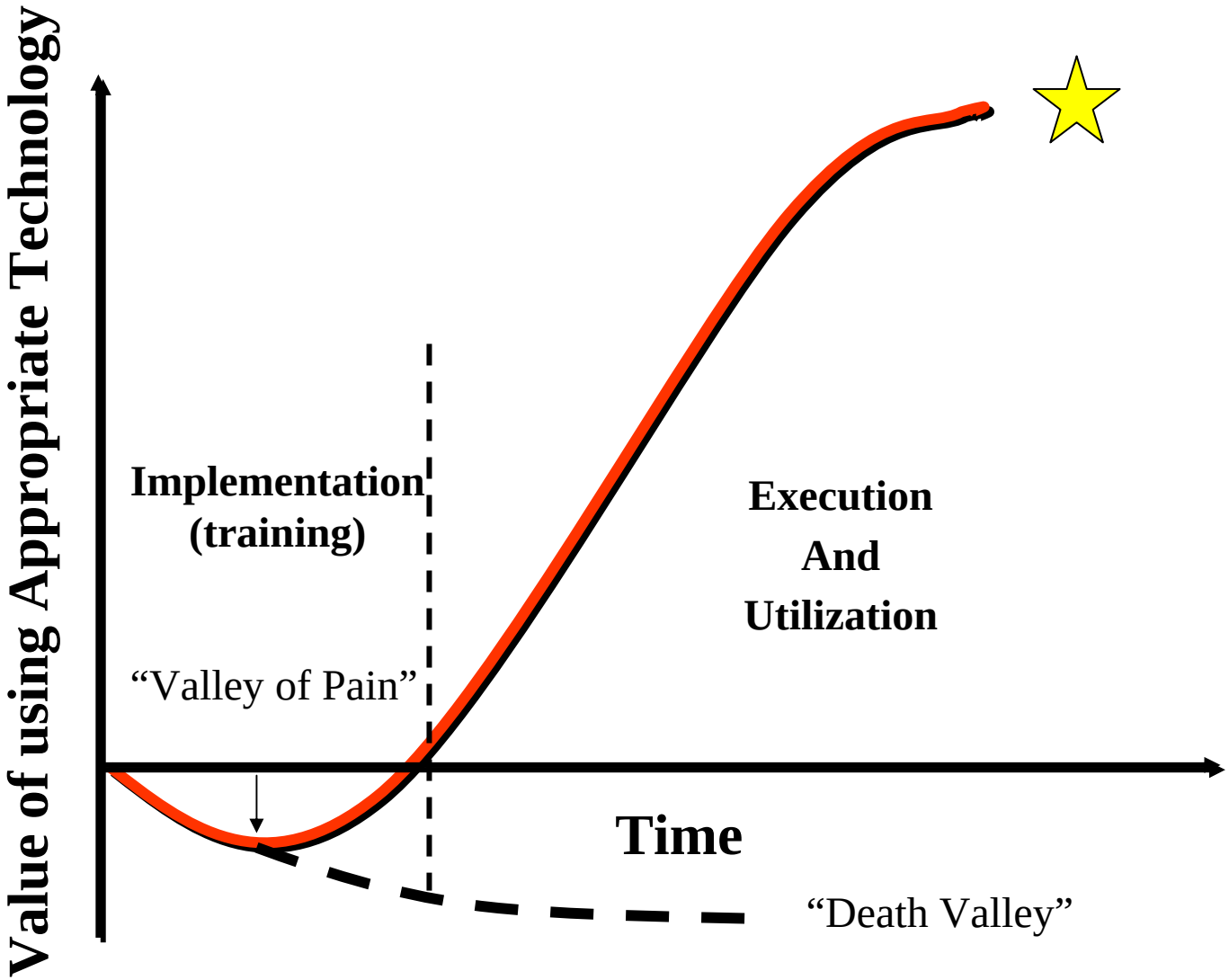

GTR: Technology Adoption Diagram

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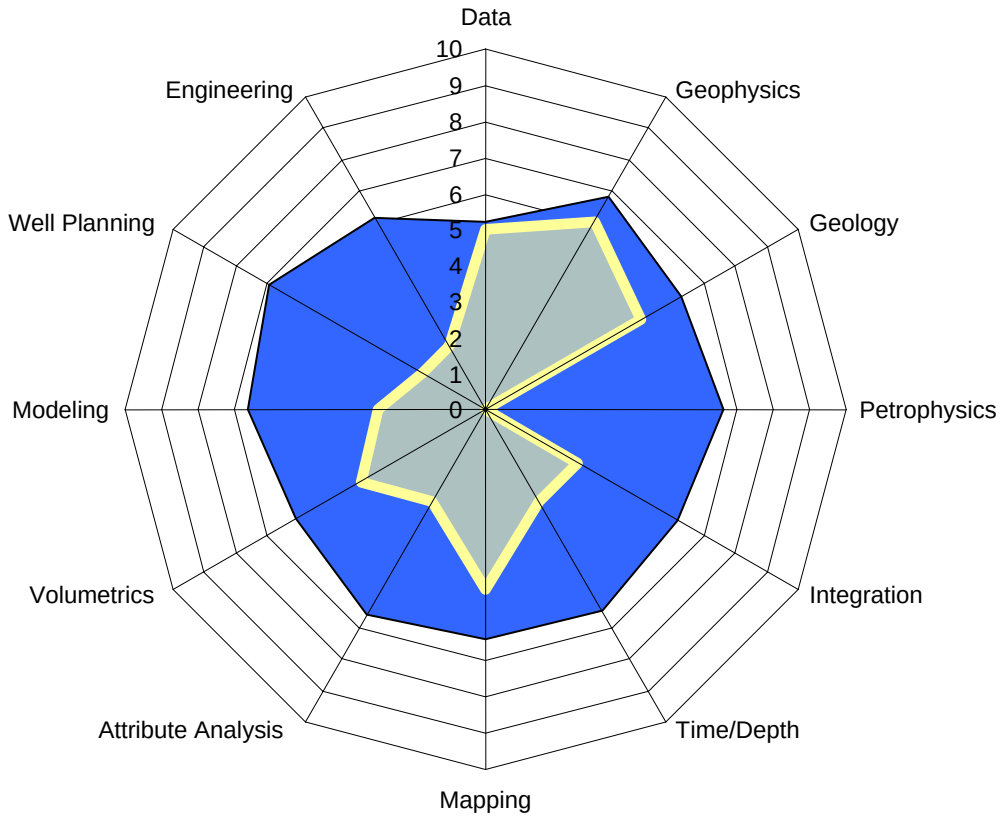
2000 vs 2004 Average



2004 Average Ranking

2000 Average Ranking

10 = Best-in-Breed

6 = Shared Earth Modeling

5 = Industry Average

GTR: Team Technology Adoption Diagram

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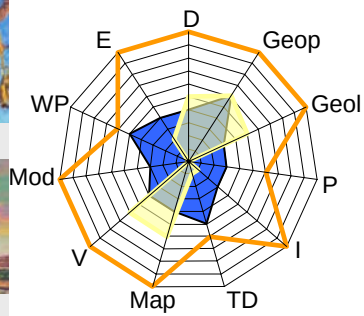
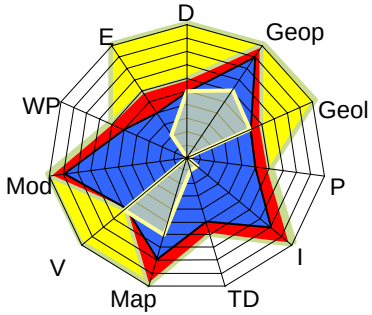
Example Teams (measuring our progress and our opportunities)

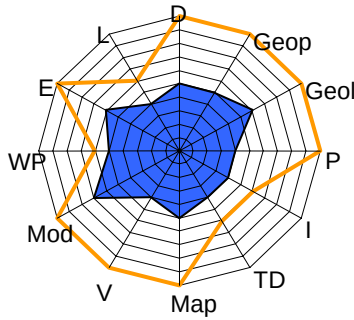
O'Chiese GTR ranking



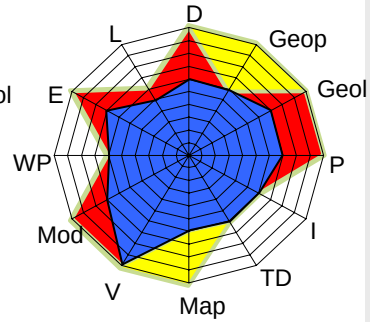
O'Chiese Self ranking



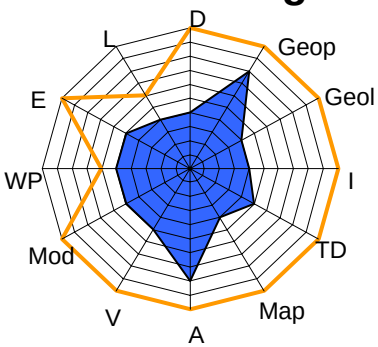
Ring Border GTR ranking



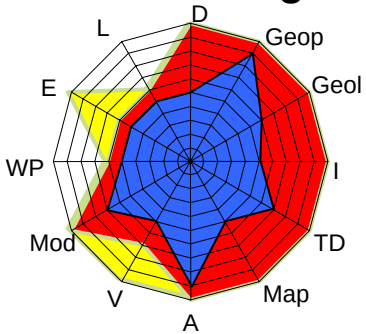
Ring Border Self ranking



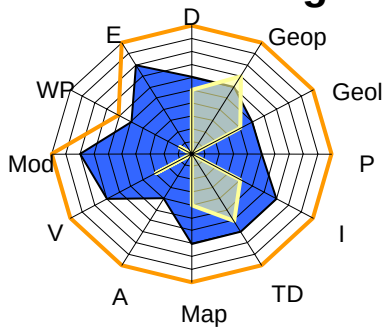
South Cranberry GTR ranking



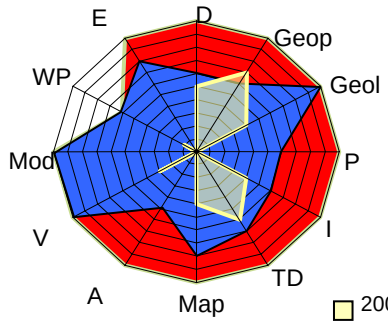
South Cranberry Self ranking



Viking GTR ranking



Viking Self ranking



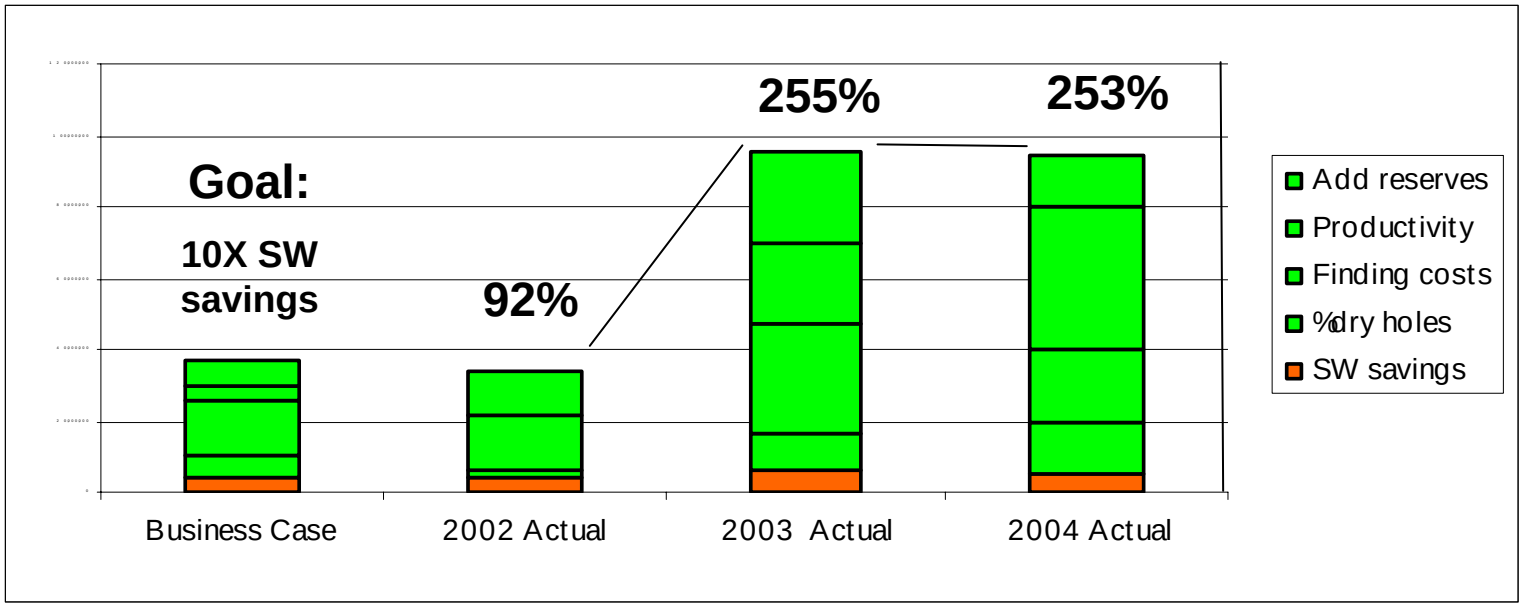
2000 Ranking

2004 Ranking

Team Opportunity

Removed spokes that don't apply. Team opportunity is either 6 or 10.

Value to BR



Computed June 2005

+ savings in management time

+ opportunities for better long-range planning

+ opportunity to do even better

BR cost comparison

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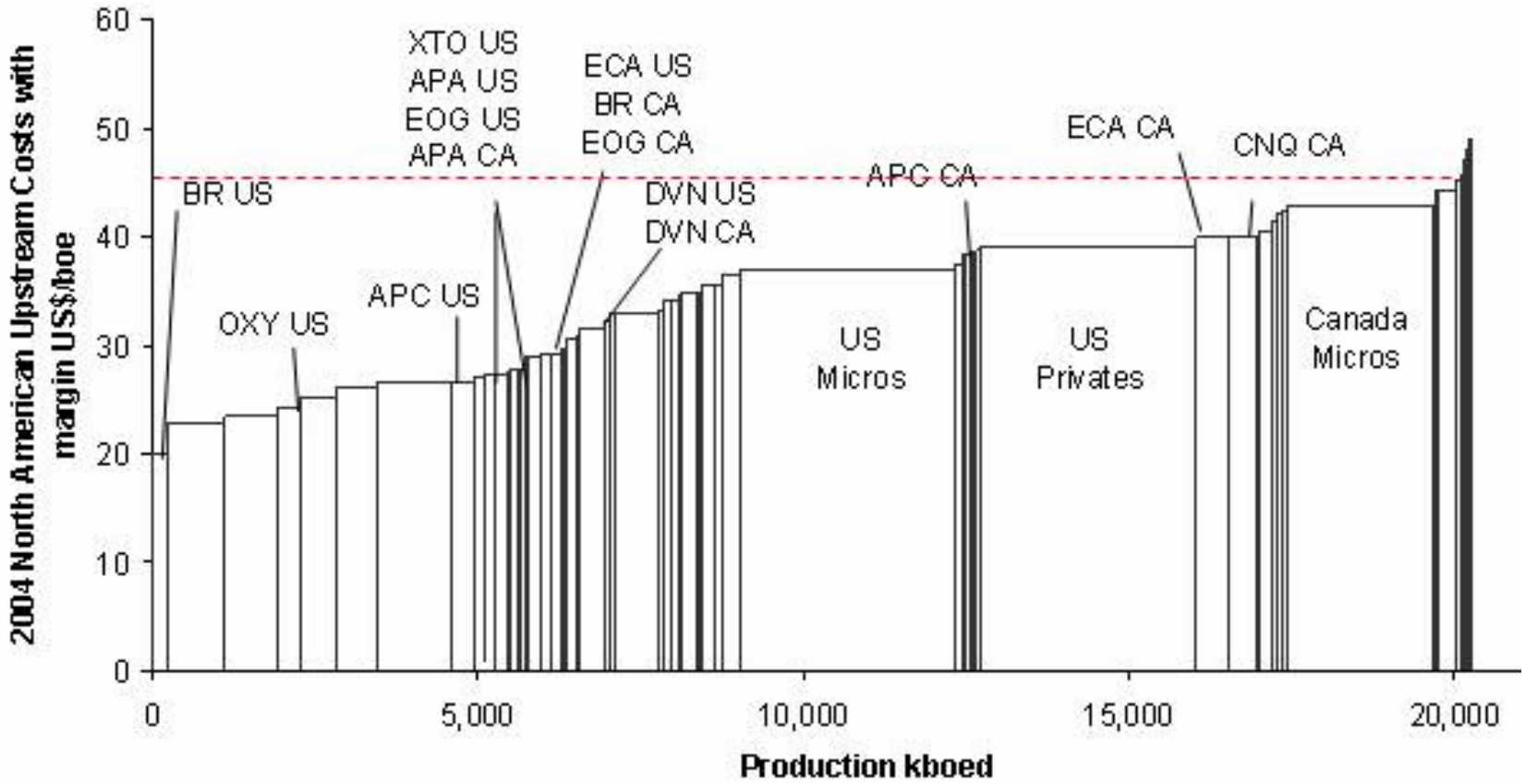
- **Including a margin, the highest cost companies in 2004 had costs totalling $45-49/boe**



Source: Company reports and Bernstein estimates

6

What's Next?

Strategic Workflows: Seismic Data Life Cycle

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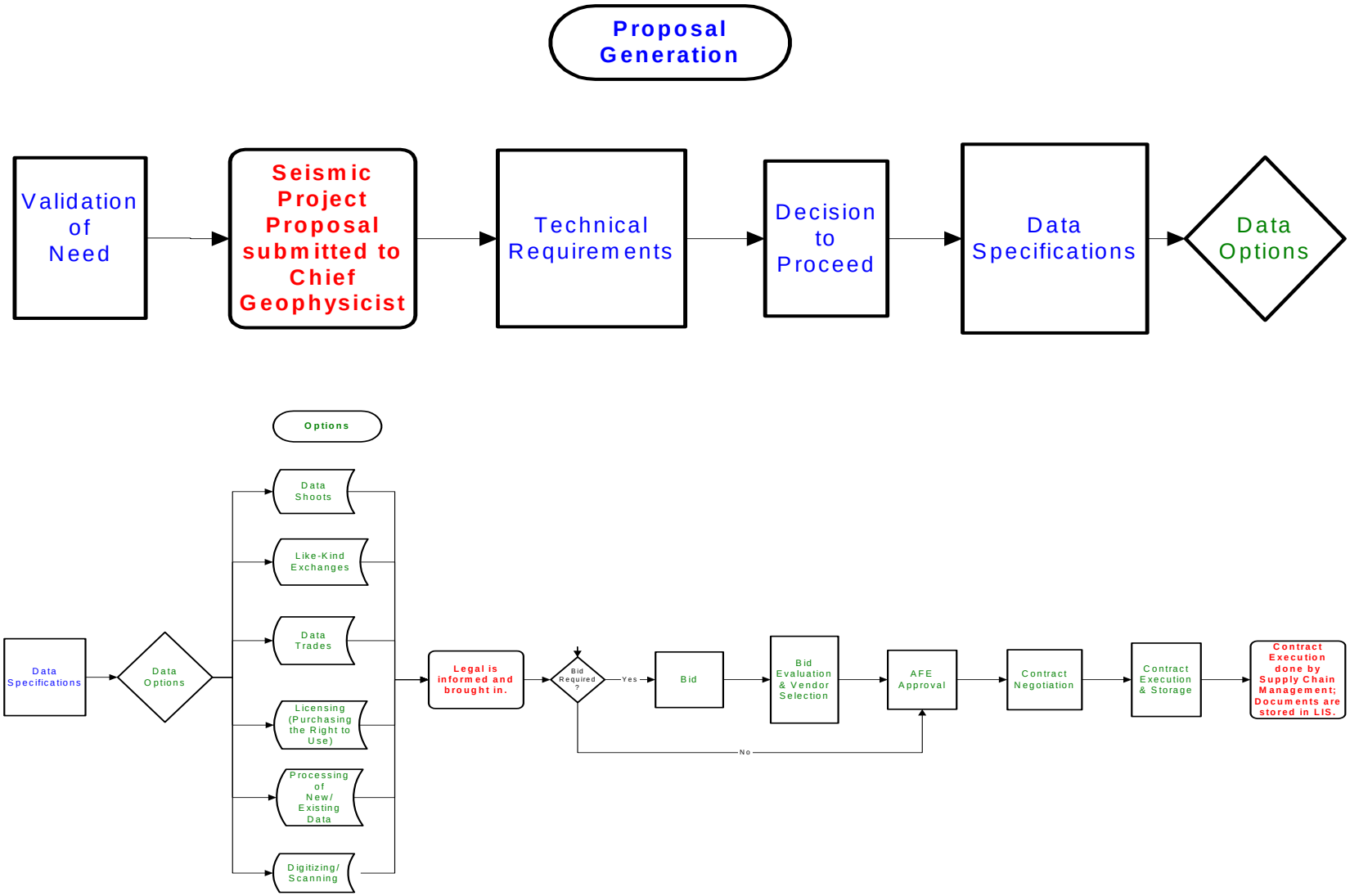

Strategic Workflows

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PICS

Prospect Inventory Capture and Sharing

This tool is used to capture and share prospect decision making information for exploration and development teams.

Team

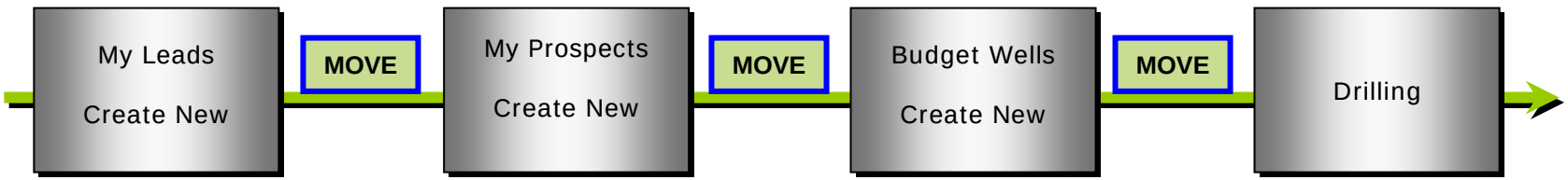
- Botts #1
- Cole #2
- Gaas #1
- Harris #1
- Martin #3
- Smith #1
- Sullivan #1

Conditional Query

Links:

- Home
- My Leads
- My Prospects
- Budget Wells
- Drilling
- Forms
- Search

Daily Drilling Reports
(Linked from WellView (scroll);
Reports for Well List (**A.**))



D. Current Lifecycle Scope

All objects contain (X) to eliminate future viewing and are customizable.

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Improving Technology Investment Planning with Metering

Dan Shearer and Debbie Garcia
PNEC
April 19, 2006