

## ***Meter Reader***

*A Weekly Analysis of Energy Stocks Using the McDep Ratio*

May 22, 2003

# **Free Money**

## **Summary and Recommendation**

Free money implies favorable returns for energy resource stocks. The Federal Reserve appears to be providing the free money by managing interest rates below the rate of inflation. The U.S. Secretary of the Treasury appears to be promoting the flow of those free dollars globally by encouraging the devaluation of the U.S. currency. Though the goal apparently is to stimulate employment, a likely consequence is the depletion of the financial assets of savers. Ironically, natural gas and oil resources, traditionally considered to be depleting physically, may now be seen to be appreciating financially. Recent strength in recommended natural gas stocks **Encana (ECA)**, **Anadarko (APC)**, **Burlington Resources (BR)**, **XTO Energy (XTO)**, **San Juan Basin Royalty Trust (SJT)** and **Energy Partners (EPL)** might be just the beginning of the powerful reaction when free money meets real opportunity. Those and other buy and sell ideas are ranked among 97 stocks (see Tables 1-1, 1-2, 2-1, 2-2, 3-1, and 3-2).

## **Three Free Money Periods in the Past Century**

Money was free from about 1914-1918, 1933-1951 and 1970-1980. Those were the times when the interest rate on Treasury Bills was negative after adjusting for inflation (see Figure 5-4 in *The Triumph of the Optimists*, Dimson, Marsh and Staunton, 2002). The real return on stocks was negative in the first period, positive in the second period and initially negative before turning positive in the third period (Fig. 4-2 DMS). The real return on bonds was negative in the first period, initially positive before turning negative in the second period and negative in the third period (Fig. 6-1 DMS).

The most consistently performing “asset class” during free money periods was inflation. The consumer price index appreciated 10% per year during 1914-1918, 4% per year, 1933-1951 and 8% per year, 1970-1980 (see *Meter Reader*, February 13, 2003).

Some goods and services appreciated more than others. Louisiana Natural Gas and Light Sweet Crude Oil both appreciated 23% per year over the eleven-year period 1970-1980 (see *Meter Reader*, December 23, 2002).

The current free money period started last year, 2002. The last of the rate reductions by the Federal Reserve took short-term interest levels below inflation. The new period seems well established and the outlook for energy resource investments appears bright.

Kurt H. Wulff, CFA

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## Meter Reader

### A Weekly Analysis of Energy Stocks Using the McDep Ratio

May 22, 2003

**Table 1-1**  
**Energy Producers**  
**Rank by McDep Ratio: Market Cap and Debt to Present Value**

	Symbol/ Rating	Price (\$/sh) 21-May 2003	Shares (mm)	Market Cap (\$mm)	Net Present Value (\$/sh)	Debt/ Present Value	McDep Ratio	
<b>Mega Cap</b>								
Exxon Mobil Corporation	XOM	35.79	6,714	240,000	35.00	0.09	1.02	
BP plc	BP	41.39	3,725	154,000	45.00	0.16	0.93	
TotalFinaElf S.A.	TOT	71.26	1,317	93,800	85.00	0.16	0.86	
Royal Dutch/Shell	RD	B	44.92	3,473	156,000	55.00	0.18	0.85
ChevronTexaco Corporation	CVX	B	67.70	1,064	72,000	95.00	0.20	0.77
<i>Total or Median</i>				716,000		0.16	0.86	
<b>Producer/Refiners - Large Cap and Mid Cap</b>								
Murphy Oil Corporation	MUR	49.16	93	4,550	41.00	0.24	1.15	
Petro-Canada	PCZ	37.36	264	9,840	38.00	0.20	0.99	
Imperial Oil Limited (30%)	IMO	32.90	113	3,730	36.00	0.12	0.92	
Valero Energy Corporation	VLO	38.70	114	4,410	50.00	0.50	0.89	
ENI S.p.A.	E	77.23	750	57,900	90.00	0.14	0.88	
Suncor Energy	SU	18.35	448	8,220	22.00	0.22	0.87	
ConocoPhillips	COP	B	53.15	682	36,300	70.00	0.38	0.85
Norsk Hydro ASA (49%)	NHY	42.94	126	5,430	60.00	0.26	0.79	
OAo Lukoil	LUKOY	67.66	206	14,000	90.00	0.12	0.78	
PetroChina Company Ltd (10%)	PTR	B	23.62	176	4,150	33.00	0.16	0.76
Marathon Oil Corporation	MRO	B	24.35	310	7,550	40.00	0.31	0.73
Petroleo Brasileiro S. A.	PBR	N	19.12	1,086	20,800	30.00	0.25	0.73
<i>Total or Median</i>				172,000		0.22	0.85	
<b>Independent Natural Gas and Oil</b>								
Pogo Producing Company	PPP	41.11	65	2,650	38.00	0.22	1.06	
Occidental Petroleum Corp.	OXY	32.03	383	12,300	35.00	0.36	0.95	
Apache Corporation	APA	63.41	159	10,100	70.00	0.20	0.93	
Encana Corporation	ECA	B	35.56	470	16,700	40.00	0.21	0.91
XTO Energy Inc.	XTO	B	20.82	185	3,860	24.00	0.24	0.90
Burlington Resources	BR	B	51.13	202	10,300	60.00	0.27	0.89
Anadarko Petroleum Corp.	APC	B	49.17	258	12,700	60.00	0.30	0.87
Devon Energy	DVN	51.10	163	8,300	65.00	0.42	0.87	
Unocal Corporation	UCL	28.90	255	7,400	40.00	0.35	0.82	
Pioneer Natural Resources Company	PXD	25.59	118	3,020	35.00	0.31	0.81	
CNOOC Limited (19%)	CEO	B	27.29	78	2,130	35.00	-	0.78
Canadian Natural Resources Limited	CNQ	37.80	139	5,250	55.00	0.29	0.78	
<i>Total or Median</i>				80,000		0.28	0.87	
<b>Service</b>								
Baker Hughes Inc.	BHI	31.90	339	10,800	25.00	0.09	1.25	
Halliburton Company	HAL	23.95	434	10,400	22.00	0.25	1.07	
Schlumberger Ltd.	SLB	47.50	581	27,600	44.00	0.22	1.06	

Buy/Sell rating after symbol: B - Buy, N - Neutral, S - Sell

McDep Ratio = Market cap and Debt to present value of oil and gas and other businesses

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## Meter Reader

### A Weekly Analysis of Energy Stocks Using the McDep Ratio

May 22, 2003

**Table 1-2**  
**Energy Producers**  
**Rank by EV/Ebitda: Enterprise Value to Earnings Before Interest, Tax, Deprec.**

	Symbol/ Rating	Price (\$/sh) 21-May 2003	EV/ Sales NTM	EV/ Ebitda NTM	P/E NTM	Dividend or Distribution NTM (%)	PV/ Ebitda NTM	
<b>Mega Cap</b>								
Exxon Mobil Corporation	XOM	35.79	1.1	9.7	21	2.8	9.5	
BP plc	BP	41.39	0.9	7.6	26	3.5	8.2	
TotalFinaElf S.A.	TOT	71.26	1.1	7.1	18	4.5	8.2	
Royal Dutch/Shell	RD	B	44.92	1.0	7.1	16	4.1	8.3
ChevronTexaco Corporation	CVX	B	67.70	0.8	6.7	13	4.1	8.7
	<i>Median</i>			<i>1.0</i>	<i>7.1</i>	<i>18</i>	<i>4.1</i>	<i>8.3</i>
<b>Producer/Refiners - Large Cap and Mid Cap</b>								
ConocoPhillips	COP	B	53.15	0.6	7.4	14	3.0	8.7
Suncor Energy	SU		18.35	3.0	7.0	13	0.6	8.0
Murphy Oil Corporation	MUR		49.16	1.3	6.8	18	1.6	5.9
Imperial Oil Limited (30%)	IMO		32.90	1.0	6.4	12	1.7	6.9
Marathon Oil Corporation	MRO	B	24.35	0.4	4.9	12	3.8	6.7
Valero Energy Corporation	VLO		38.70	0.3	4.9	5	1.0	5.5
Petro-Canada	PCZ		37.36	1.5	4.5	9	0.7	4.6
ENI S.p.A.	E		77.23	1.7	4.2	9	5.5	4.8
Petroleo Brasileiro S. A.	PBR	N	19.12	1.4	4.1	7	7.1	5.7
OAOLukoil	LUKOY		67.66	1.0	3.1	5	2.8	4.0
PetroChina Company Ltd (10%)	PTR	B	23.62	1.7	3.1	6	6.2	4.1
Norsk Hydro ASA (49%)	NHY		42.94	0.7	3.0	5	3.3	3.8
	<i>Median</i>			<i>1.2</i>	<i>4.7</i>	<i>9</i>	<i>2.9</i>	<i>5.6</i>
<b>Independent Natural Gas and Oil</b>								
XTO Energy Inc.	XTO	B	20.82	5.2	7.6	15	0.2	8.4
Pioneer Natural Resources Company	PXD		25.59	4.7	7.5	23	-	9.2
Occidental Petroleum Corp.	OXY		32.03	2.4	5.8	10	3.2	6.2
Apache Corporation	APA		63.41	4.1	5.7	12	0.6	6.2
Burlington Resources	BR	B	51.13	3.8	5.4	12	1.1	6.1
Anadarko Petroleum Corp.	APC	B	49.17	4.0	5.4	9	0.8	6.2
CNOOC Limited (19%)	CEO	B	27.29	3.5	5.2	13	3.9	6.7
Unocal Corporation	UCL		28.90	2.0	5.2	13	2.8	6.3
Pogo Producing Company	PPP		41.11	3.3	5.1	13	0.3	4.7
Devon Energy	DVN		51.10	2.8	4.3	6	-	4.9
Encana Corporation	ECA	B	35.56	2.0	4.1	9	0.8	4.5
Canadian Natural Resources Limited	CNQ		37.80	2.1	3.4	6	1.1	4.3
	<i>Median</i>			<i>3.4</i>	<i>5.3</i>	<i>12</i>	<i>0.8</i>	<i>6.2</i>
<b>Service</b>								
Baker Hughes Inc.	BHI		31.90	2.2	13.5	38	1.4	10.8
Halliburton Company	HAL		23.95	1.1	9.6	21	2.1	9.0
Schlumberger Ltd.	SLB		47.50	2.5	9.5	35	1.6	8.9

EV = Enterprise Value = Market Cap and Debt; Ebitda = Earnings before interest, tax, depreciation and amortization; NTM = Next Twelve Months Ended June 30, 2004; P/E = Stock Price to Earnings; PV = Present Value of oil and gas and other businesses

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### A Weekly Analysis of Energy Stocks Using the McDep Ratio

May 22, 2003

**Table 2-1**  
**Energy Pipeline and Power Companies**  
**Rank by McDep Ratio: Market Cap and Debt to Present Value**

	<i>Symbol/ Rating</i>	<i>Price (\$/sh) 21-May 2003</i>	<i>Shares (mm)</i>	<i>Market Cap (\$mm)</i>	<i>Net Present Value (\$/sh)</i>	<i>Debt/ Present Value</i>	<i>McDep Ratio</i>
<b>Large Cap Power</b>							
Southern Company	SO	29.45	696	20,500	28.00	0.43	1.03
Duke Energy Corporation	DUK	17.22	832	14,300	16.00	0.69	1.02
Enel S.p.a. (32%)	EN	33.81	388	13,100	37.00	0.40	0.95
Exelon Corporation	EXC N	56.63	325	18,400	65.00	0.51	0.94
American Electric Power Co. Inc.	AEP N	26.44	348	9,200	35.00	0.60	0.90
Dominion Resources	D	61.59	294	18,100	76.00	0.44	0.89
<b>Mid Cap Pipeline and Power</b>							
Kinder Morgan Energy Partners, L.P.	KMP S	39.20	141	5,530	14.00	0.47	1.95
Kinder Morgan Management, LLC	KMR S	35.35	40	1,400	14.00	0.47	1.81
Kinder Morgan, Inc.	KMI S	48.00	123	5,880	14.00	0.80	1.50
Williams Companies	WMB	7.38	518	3,820	1.00	0.97	1.20
Constellation Energy Group	CEG	32.70	164	5,360	25.00	0.61	1.12
AES Corporation	AES	6.90	558	3,850	1.00	0.98	1.11
Dynegy Inc.	DYN	4.57	418	1,910	1.00	0.97	1.11
Calpine Corporation	CPN N	4.79	381	1,820	1.00	0.98	1.09
Mirant Corporation	MIR	3.14	402	1,260	1.00	0.96	1.08
CMS Energy Corporation	CMS	6.85	139	950	5.00	0.93	1.03
El Paso Corporation	EP N	7.60	589	4,500	10.00	0.79	0.95
Sempra Energy	SRE	25.91	206	5,340	30.00	0.59	0.94
<b>Small Cap Pipeline</b>							
El Paso Energy Partners	EPN S	35.90	57	2,050	10.60	0.60	1.97
Enterprise Products Part (16%)	EPD	23.88	29	680	6.70	0.63	1.93
Plains All Amer. Pipeline	PAA	29.09	50	1,450	11.60	0.49	1.76
Enbridge Energy Partners, L.P.	EEP S	45.44	35	1,590	14.90	0.64	1.74
Enbridge Energy Management, L.L.C	EEQ S	41.45	35	1,450	14.90	0.64	1.65
TEPPCO Partners, L.P.	TPP	33.45	50	1,670	17.70	0.56	1.39
Northern Border Partners	NBP	40.68	44	1,790	20.40	0.62	1.37
Williams Energy Partners	WEG	44.75	28	1,240	29.00	0.38	1.34
AmeriGas Partners, L.P.	APU	26.10	49	1,290	18.30	0.51	1.21
Western Gas Resources	WGR	39.33	34	1,330	37.60	0.29	1.04
<b>Coal</b>							
Penn Virginia Res. Part, L.P.	PVR	26.25	15	400	18.00	-	1.45
Consol Energy Inc.	CNX	21.57	79	1,700	5.00	0.88	1.39
Alliance Res. Part, L.P.	ARLP	26.31	16	420	20.00	0.45	1.18
Peabody Energy	BTU	30.41	55	1,670	18.00	0.75	1.17
Arch Coal	ACI	21.39	48	1,020	18.00	0.61	1.07
Massey Energy	MEE	12.84	75	960	18.00	0.37	0.82
<i>Total or Median</i>				<i>6,200</i>	<i>0.53</i>	<i>1.17</i>	

Buy/Sell rating after symbol: B - Buy, N - Neutral, S - Sell

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**Table 2-2**  
**Energy Pipeline and Power Companies**  
**Rank by EV/Ebitda: Enterprise Value to Earnings Before Interest, Tax, Deprec.**

	Symbol/ Rating	Price (\$/sh) 21-May 2003	EV/ Sales NTM	EV/ Ebitda NTM	P/E NTM	Dividend or Distribution NTM (%)	PV/ Ebitda NTM
<b>Large Cap Power</b>							
Southern Company	SO	29.45	3.3	9.4	16	4.7	9.1
Duke Energy Corporation	DUK	17.22	2.3	9.2	12	6.4	9.0
Enel S.p.a. (32%)	EN	33.81	2.3	8.4	26	4.1	8.9
Exelon Corporation	EXC N	56.63	2.6	8.4	11	3.2	9.0
Dominion Resources	D	61.59	3.5	8.0	13	4.2	9.0
American Electric Power Co. Inc.	AEP N	26.44	0.8	7.6	10	5.3	8.5
<b>Mid Cap Pipeline and Power</b>							
Kinder Morgan Energy Partners, L.P.	KMP S	39.20	3.5	16.9	20	6.4	8.7
Kinder Morgan Management, LLC	KMR S	35.35	3.2	15.7	18	7.1	8.7
Calpine Corporation	CPN N	4.79	2.3	13.3	6	-	12.2
Kinder Morgan, Inc.	KMI S	48.00	3.6	13.3	15	1.3	8.9
Dynegy Inc.	DYN	4.57	3.0	12.5	37	-	11.3
AES Corporation	AES	6.90	3.7	11.3	20	-	10.1
Williams Companies	WMB	7.38	3.5	10.0		0.5	8.3
Mirant Corporation	MIR	3.14	1.3	9.6	5	-	8.9
Constellation Energy Group	CEG	32.70	2.5	9.0	15	3.2	8.1
CMS Energy Corporation	CMS	6.85	1.1	9.0	8	-	8.7
Sempra Energy	SRE	25.91	2.1	8.3	10	3.9	8.7
El Paso Corporation	EP N	7.60	2.4	6.6	5	2.1	6.9
	<i>Median</i>		2.5	10.0	12	0.5	8.7
<b>Small Cap Pipeline</b>							
El Paso Energy Partners	EPN S	35.90	9.7	17.7	44	7.5	9.0
Enterprise Products Part (16%)	EPD	23.88	1.9	17.4		0.9	9.0
Plains All Amer. Pipeline	PAA	29.09	0.2	15.9	24	7.4	9.0
Enbridge Energy Partners, L.P.	EEP S	45.44	2.1	15.7	34	7.9	9.0
Enbridge Energy Management, L.L.C	EEQ S	41.45	1.9	14.8	31	8.7	9.0
TEPPCO Partners, L.P.	TPP	33.45	1.1	12.5	17	7.2	9.0
Northern Border Partners	NBP	40.68	7.1	12.4	15	7.9	9.0
Williams Energy Partners	WEG	44.75	4.2	11.4	14	6.7	8.5
AmeriGas Partners, L.P.	APU	26.10	1.7	10.9	25	8.4	9.0
Western Gas Resources	WGR	39.33	0.7	7.6	17	-	7.4
	<i>Median</i>		1.9	13.7	24	7.5	9.0
<b>Coal</b>							
Consol Energy Inc.	CNX	21.57	2.2	13.5	49	2.6	9.7
Penn Virginia Res. Part, L.P.	PVR	26.25	9.6	12.5	14	7.6	8.6
Peabody Energy	BTU	30.41	1.6	10.5	25	1.3	9.0
Arch Coal	ACI	21.39	1.6	9.7		1.1	9.0
Alliance Res. Part, L.P.	ARLP	26.31	1.3	8.2	22	7.6	7.0
Massey Energy	MEE	12.84	1.3	7.3		1.2	8.9
	<i>Median</i>		1.6	10.1	24	2.0	8.9

EV = Enterprise Value = Market Cap and Debt; Ebitda = Earnings before interest, tax, depreciation and amortization; NTM = Next Twelve Months Ended June 30, 2004; P/E = Stock Price to Earnings; PV = Present Value of oil and gas and other businesses

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May 22, 2003

**Table 3-1**  
**Independent Natural Gas and Oil Producers - Small Cap**  
**Rank by McDep Ratio: Market Cap and Debt to Present Value**

	Symbol/ Rating	Price (\$/sh) 21-May 2003	Shares (mm)	Market Cap (\$mm)	Net Present Value (\$/sh)	Debt/ Present Value	McDep Ratio	
<b>Short Life</b>								
Dorchester Minerals, L.P.	DMLP	16.85	27.0	460	13.00	-	1.30	
Newfield Exploration Company	NFX	38.50	51.7	1,990	40.00	0.31	0.97	
Spinnaker Exploration Company	SKE	24.05	33.8	810	25.00	-	0.96	
Energy Partners Ltd.	EPL	B	10.59	36.4	385	12.00	0.22	0.91
Southwestern Energy Company	SWN	14.68	36.0	530	17.00	0.30	0.90	
Cimarex Energy Company	XEC	21.36	41.0	880	24.00	0.03	0.89	
Stone Energy Company	SGY	39.11	26.5	1,040	46.00	0.27	0.89	
Denbury Resources Inc.	DNR	11.71	55.0	640	15.00	0.29	0.84	
Chesapeake Energy Corporation	CHK	10.16	220	2,240	14.00	0.38	0.83	
Wesport Resources Corporation	WRC	22.45	68.0	1,530	30.00	0.29	0.82	
St. Mary Land and Exploration Company	SM	26.95	29.0	780	35.00	0.11	0.80	
Forest Oil Corporation	FST	N	24.25	48.2	1,170	35.00	0.33	0.79
The Houston Explorator Company	THX	30.51	31.0	950	45.00	0.16	0.73	
<i>Total or Median</i>				13,400		0.27	0.89	
<b>Long Life</b>								
Ultra Petroleum Corp.	UPL	11.55	78.0	900	7.00	0.15	1.56	
Unit Corporation	UNT	21.82	43.6	950	18.00	0.04	1.20	
Quicksilver Resources Inc.	KWK	25.33	20.4	520	25.00	0.35	1.01	
Penn Virginia Corporation	PVA	41.75	9.0	380	45.00	0.06	0.93	
Evergreen Resources, Inc.	EVG	53.25	22.0	1,170	60.00	0.10	0.90	
Encore Acquisition Corp. (25%)	EAC	18.50	7.0	130	24.00	0.19	0.82	
Swift Energy Company	SFY	10.54	27.2	290	16.00	0.43	0.81	
Magnum Hunter Resources, Inc.	MHR	6.75	69.0	470	11.00	0.45	0.79	
Vintage Petroleum, Inc.	VPI	10.38	63.0	650	20.00	0.40	0.71	
<i>Total or Median</i>				5,500		0.19	0.90	
<b>Canadian Royalty Trusts</b>								
Provident Energy Trust	PVX	8.38	63.5	530	6.00	0.23	1.31	
Enerplus Resources Fund	ERF	23.11	75.0	1,730	20.00	0.16	1.13	
Pengrowth Energy Trust	PGH	11.47	110.0	1,260	11.00	0.16	1.04	
Canadian Oil Sands Trust (US\$)	COS_u.TO	B	25.04	79.5	1,990	45.00	0.16	0.63
<i>Total or Median</i>				5,500		0.16	1.08	
<b>Natural Gas Royalty Trusts</b>								
Cross Timbers Royalty Trust	CRT	23.70	6.0	142	22.10	-	1.07	
Hugoton Royalty Trust (46%)	HGT	16.78	18.4	310	16.60	-	1.01	
San Juan Basin Royalty Trust	SJT	B	17.00	46.6	790	19.30	-	0.88
<b>Micro Cap</b>								
Abraxas Petroleum Corporation	ABP	0.90	30.0	27	1.00	0.85	0.98	
Purcell Energy, Ltd. (US\$)	PEL.TO	N	1.83	31.2	57	2.80	0.26	0.74

Buy/Sell rating after symbol: B - Buy, N - Neutral, S - Sell

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## Meter Reader

### A Weekly Analysis of Energy Stocks Using the McDep Ratio

May 22, 2003

**Table 3-2**  
**Independent Natural Gas and Oil Producers - Small Cap**  
**Rank by EV/Ebitda: Enterprise Value to Earnings Before Interest, Tax, Deprec.**

	<i>Symbol/</i>		<i>Price</i>			<i>Dividend or</i>	
	<i>Rating</i>	<i>21-May</i>	<i>(\$/sh)</i>	<i>EV/</i>	<i>EV/</i>	<i>P/E</i>	<i>PV/</i>
		<i>2003</i>		<i>Sales</i>	<i>Ebitda</i>	<i>NTM</i>	<i>Ebitda</i>
				<i>NTM</i>	<i>NTM</i>	<i>NTM</i>	<i>NTM</i>
						<i>(%)</i>	
<b>Short Life</b>							
Dorchester Minerals, L.P.	DMLP		16.85	7.7	9.5	12	7.3
Forest Oil Corporation	FST		24.25	3.5	5.7	18	7.2
Chesapeake Energy Corporation	CHK		10.16	3.6	5.3	11	6.4
Southwestern Energy Company	SWN		14.68	2.6	5.2	10	5.8
Wesport Resources Corporation	WRC		22.45	3.5	4.9	14	5.9
Cimarex Energy Company	XEC		21.36	3.2	4.7	13	5.3
St. Mary Land and Exploration Company	SM		26.95	2.9	4.5	13	5.7
Energy Partners Ltd.	EPL	B	10.59	2.6	4.4	-	4.8
Denbury Resources Inc.	DNR		11.71	2.9	4.0	8	4.8
Stone Energy Company	SGY		39.11	2.9	3.9	8	4.4
Newfield Exploration Company	NFX		38.50	2.7	3.5	7	3.6
Spinnaker Exploration Company	SKE		24.05	3.1	3.5	12	3.6
The Houston Exploraton Company	THX		30.51	2.5	3.0	7	4.1
	<i>Median</i>			2.9	4.5	12	5.3
<b>Long Life</b>							
Ultra Petroleum Corp.	UPL		11.55	10.8	17.7	35	11.4
Evergreen Resources, Inc.	EVG		53.25	6.7	9.6	17	10.7
Unit Corporation	UNT		21.82	4.0	9.1	23	7.6
Quicksilver Resources Inc.	KWK		25.33	4.6	6.8	12	6.8
Swift Energy Company	SFY		10.54	3.7	5.7	18	7.0
Encore Acquisition Corp. (25%)	EAC		18.50	3.6	5.5	13	6.8
Penn Virginia Corporation	PVA		41.75	2.8	5.3	14	5.7
Magnum Hunter Resources, Inc.	MHR		6.75	3.0	5.2	11	6.5
Vintage Petroleum, Inc.	VPI		10.38	2.3	4.4	43	6.2
<b>Canadian Royalty Trusts</b>							
Enerplus Resources Fund	ERF		23.11	5.5	7.3	12	6.5
Canadian Oil Sands Trust (US\$)	COS_u.TO	B	25.04	3.5	6.6	7	10.5
Pengrowth Energy Trust	PGH		11.47	4.1	6.2	14	6.0
Provident Energy Trust	PVX		8.38	3.9	5.7	12	4.3
<b>Natural Gas Royalty Trusts</b>							
Cross Timbers Royalty Trust	CRT		23.70	6.8	9.4	10	8.8
Hugoton RoyaltyTrust (46%)	HGT		16.78	5.0	6.5	7	6.4
San Juan Basin Royalty Trust	SJT	B	17.00	5.3	6.4	7	7.3
<b>Micro Cap</b>							
Abraxas Petroleum Corporation	ABP		0.90	6.5	11.8	-	12.0
Purcell Energy, Ltd. (US\$)	PEL.TO	N	1.83	3.1	4.2	8	5.6

EV = Enterprise Value = Market Cap and Debt; Ebitda = Earnings before interest, tax, depreciation and amortization; NTM = Next Twelve Months Ended June 30, 2004; P/E = Stock Price to Earnings; PV = Present Value of oil and gas and other businesses

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