

California Whine

While responsible persons struggle with energy woes in the Golden State, a professor from Stanford appears on the evening news suggesting that electricity suppliers manipulated the market. The truth is more likely that political leaders supported by academics designed a scheme that they thought would extract the lowest possible price for electricity supply. The sellers would supposedly be grateful for California's business in a buyer's market. Instead we have a seller's market and rather than the buyers admitting their greed, they ramp up production of new whine to go with chardonnay, cabernet and merlot.

Facetiousness aside, we see a movement to long-term electricity contracts that has to be strongly beneficial to natural gas price for many years. Hang on to your natural gas! Suppliers committing to furnish electricity at fixed prices will want to lock in natural gas supply. Add to or maintain your investments in natural gas producers **Energy Partners Ltd., San Juan Basin Royalty Trust, Hugoton Royalty Trust, Burlington Resources, Inc., Cross Timbers Royalty Trust** and **Dorchester Hugoton, Ltd** (see table below). Present value estimates declined up to 10% this week only because of a technical modification to the calculation that more accurately matched volume decline and volume enhancement.

Rank by McDep Ratio	<i>Symbol</i>	<i>Price</i>	<i>Shares</i>	<i>Market</i>	<i>Debt</i>	<i>Net</i>	<i>McDep</i>
		<i>(\$/sh)</i>		<i>Cap</i>		<i>Present</i>	
		<i>26-Jan</i>	<i>(mm)</i>	<i>(\$mm)</i>	<i>(\$mm)</i>	<i>Value</i>	<i>Ratio</i>
		<i>2000</i>				<i>(\$/sh)</i>	
Exxon Mobil Corporation	XOM	81.00	3,517	284,900	40,000	71.50	1.12
Dorchester Hugoton, Ltd.	DHULZ	14.38	10.7	154	-	14.70	0.98
Cross Timbers Royalty Trust	CRT	16.50	6.0	99	-	19.80	0.83
Burlington Resources	BR	44.13	215	9,500	2,300	55.30	0.83
Hugoton RT (42.5%)	HGT	14.69	17.0	250	-	17.90	0.82
San Juan Basin Royalty Trust	SJT	12.94	46.6	600	-	16.20	0.79
Energy Partners, Ltd.	EPL	12.53	27.1	340	-	19.50	0.64

Sharp-eyed readers will spot a new name in our research coverage, none other than the most profitable company in the world, **Exxon Mobil**. Our intention in making that addition had been to show the relative attractiveness of our small and lesser-known ideas. Frankly we were surprised that Exxon's McDep Ratio did not turn out to be higher. It turns out that the recent decline in the stock takes it to where it was two years ago. Yet the company's basic business has strengthened since then. Enthusiastic about energy, we must also be positive about Exxon (see Stock Idea, Exxon Mobil Corporation, January 29, 2001).

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Cash flow estimates for 2001 were stable. Stocks are ranked on the unlevered basis of Enterprise Value (EV) to Ebitda, earnings before interest, tax, depletion and non-operating charges (see table below). The highest multiple for Exxon may be partly justified quantitatively as cash flow from industrial businesses may erode more slowly before reinvestment than that from oil and gas production.

Rank by Cash Flow Multiple	<i>Symbol</i>	<i>Price</i>	<i>Ebitda 2001</i>			<i>Cash</i>	<i>EV/ Ebitda</i>
		<i>(\$/sh)</i>	<i>N Am</i>	<i>Oil &</i>	<i>Other</i>	<i>Flow</i>	
		<i>26-Jan</i>	<i>Gas</i>	<i>OS Gas</i>	<i>(\$mm)</i>	<i>(\$/sh)</i>	
		<i>2000</i>					
Exxon Mobil Corporation	XOM	81.00	6,166	21,890	15,680	10.45	7.4
Cross Timbers Royalty Trust	CRT	16.50	15	2	-	2.88	5.7
Dorchester Hugoton, Ltd.	DHULZ	14.38	31	-	-	2.91	4.9
Hugoton RT (42.5%)	HGT	14.69	59	-	-	3.46	4.3
San Juan Basin Royalty Trust	SJT	12.94	139	-	-	2.97	4.3
Burlington Resources	BR	44.13	2,466	435	-	12.10	4.1
Energy Partners, Ltd.	EPL	12.53	66	99	-	6.04	2.1

DHULZ's rank as the stock with the highest Dynamic Distribution Yield was short lived as we faced up to the reality that the general partner is not likely to distribute cash as rapidly we projected. The difference would simply be retained by the partnership ostensibly to support a steadily rising trend of distributions even if cash flow were to decline temporarily. Distributions for the royalty trusts cluster near 17% in cash (see table below).

Rank by Distributions	<i>Symbol</i>	<i>Price</i>	<i>Price/ Sales</i>	<i>Earnings 2001</i>		<i>Distribution 2001</i>	
		<i>(\$/sh)</i>		<i>(\$/sh)</i>	<i>P/E</i>	<i>(\$/sh)</i>	<i>(%)</i>
		<i>26-Jan</i>				<i>(\$/sh)</i>	
		<i>2000</i>					
Energy Partners, Ltd.	EPL	12.53	1.5	2.35	5.3	-	-
Burlington Resources	BR	44.13	3.0	6.09	7.2	0.55	1.2
Exxon Mobil Corporation	XOM	81.00	1.4	4.97	16.3	1.76	2.2
Dorchester Hugoton, Ltd.	DHULZ	14.38	4.1	2.72	5.3	1.20	8.3
Cross Timbers Royalty Trust	CRT	16.50	4.2	2.80	5.9	2.80	17.0
San Juan Basin Royalty Trust	SJT	12.94	3.6	2.22	5.8	2.22	17.2
Hugoton RT (42.5%)	HGT	14.69	3.3	2.59	5.7	2.59	17.6

Estimates of EBITDA for the next twelve months are fairly straightforward as the reserves and plants to generate that cash flow are already in place. Estimates of present value of all future cash flow are quite a bit more subjective, but there are some distinctions that are obvious enough to make. If we can be comfortable with the ranking of stocks by PV/EBITDA, then we can be confident that the ranking by McDep Ratio is a reasonable indication of overall relative valuation (see table below).

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Rank by PV/Ebitda	Reserves/ Prod 2001	Prod	Ebitda Margin		Present Value		PV/
		2001/ 2000	(\$/mcf)	(\$/boe)	(\$/mcf)	(\$/boe)	Ebitda
Cross Timbers Royalty Trust	12	0.95	4.12	24.69	2.40	15	6.9
Exxon Mobil Corporation	11	1.00	2.99	17.92	1.30	8	6.7
San Juan Basin Royalty Trust	11	0.98	4.42	26.49	2.10	13	5.5
Hugoton RT (42.5%)	11	1.01	4.38	26.28	2.10	12	5.2
Dorchester Hugoton, Ltd.	9	0.97	4.82	28.92	2.70	16	5.0
Burlington Resources	11	0.95	3.45	20.68	1.60	9	4.9
Energy Partners, Ltd.	4	1.93	3.76	22.57	2.70	16	3.2

Most investors would probably be surprised to see that the ten-year total return of San Juan Basin Royalty Trust exceeds that of Exxon (see chart below). All of the cumulative difference could be attributed to just the past few years. In our optimism, we believe both stocks could perform well over the next several years.



The tables that follow present details of the latest present value and next twelve months estimates for each of six stocks in the order CRT, DHULZ, HGT, SJT, BR and EPL.

Kurt H. Wulff, CFA

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Table CRT-1
Cross Timbers Royalty Trust
Present Value

Volume Decline (%/yr):	10	Price Escalation post 2007 (%/yr):	2.5
Volume Enhancement (%/yr):	10	Discount Rate (%/yr):	6.7
		U.S. TIPS Inflation (%/yr):	1.7
		U.S. 10 Year Yield (%/yr):	5.3

PV/Volume (\$/mcf):	2.50	PV/EBITDA 2001:	7.1
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Year	Natural Gas Volume			Price (\$/mcf)	Revenue (\$mm)	Oil Net (\$mm)	Distribution (\$mm)	Tax Credit (\$/unit)	Disc Factor	Present Value (\$/unit)	
	Basic (bcf)	Enhanced (bcf)	Total (bcf)								
Total 2001 through 2030											
	25	22	48	4.34	207	3	210	34.94	0.24	0.56	19.80
2001	2.7	0.0	2.7	5.73	15.2	1.6	16.8	2.80	0.12	0.97	2.83
2002	2.4	0.3	2.7	4.87	12.9	0.9	13.8	2.31	0.12	0.91	2.20
2003	2.2	0.5	2.7	4.18	11.1	0.6	11.7	1.94		0.85	1.65
2004	1.9	0.7	2.7	3.60	9.6		9.6	1.59		0.80	1.27
2005	1.7	0.9	2.7	3.56	9.5		9.5	1.58		0.75	1.18
2006	1.6	1.1	2.7	3.52	9.4		9.4	1.56		0.70	1.09
2007	1.4	1.2	2.7	3.61	9.6		9.6	1.60		0.66	1.05
2008	1.3	1.4	2.7	3.70	9.9		9.9	1.64		0.61	1.01
2009	1.1	1.5	2.7	3.80	10.1		10.1	1.68		0.58	0.97
2010	1.0	1.6	2.7	3.90	10.4		10.4	1.73		0.54	0.93
2011	0.9	1.5	2.4	3.99	9.6		9.6	1.59		0.51	0.81
2012	0.8	1.3	2.2	4.10	8.8		8.8	1.47		0.47	0.70
2013	0.8	1.2	1.9	4.20	8.1		8.1	1.36		0.44	0.60
2014	0.7	1.1	1.7	4.31	7.5		7.5	1.25		0.42	0.52
2015	0.6	1.0	1.6	4.42	6.9		6.9	1.16		0.39	0.45
2016	0.5	0.9	1.4	4.53	6.4		6.4	1.07		0.37	0.39
2017	0.5	0.8	1.3	4.64	5.9		5.9	0.98		0.34	0.34
2018	0.4	0.7	1.1	4.76	5.4		5.4	0.91		0.32	0.29
2019	0.4	0.6	1.0	4.88	5.0		5.0	0.84		0.30	0.25
2020	0.4	0.6	0.9	5.01	4.6		4.6	0.77		0.28	0.22
2021	0.3	0.5	0.8	5.13	4.3		4.3	0.71		0.26	0.19
2022	0.3	0.5	0.8	5.26	4.0		4.0	0.66		0.25	0.16
2023	0.3	0.4	0.7	5.40	3.6		3.6	0.61		0.23	0.14
2024	0.2	0.4	0.6	5.53	3.4		3.4	0.56		0.22	0.12
2025	0.2	0.3	0.5	5.67	3.1		3.1	0.52		0.20	0.11
2026	0.2	0.3	0.5	5.82	2.9		2.9	0.48		0.19	0.09
2027	0.2	0.3	0.4	5.97	2.6		2.6	0.44		0.18	0.08
2028	0.2	0.2	0.4	6.12	2.4		2.4	0.41		0.17	0.07
2029	0.1	0.2	0.4	6.27	2.3		2.3	0.38		0.16	0.06
2030	0.1	0.2	0.3	6.43	2.1		2.1	0.35		0.15	0.05

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Table CRT-2
Cross Timbers Royalty Trust
Distributable Income

	Q4 12/31/99	Year 1999	Q1 3/31/00	Q2 6/30/00	Q3 9/30/00	Q4E 12/31/00	Year 2000E	Q1E 3/31/01	Q2E 6/30/01	Q3E 9/30/01	Q4E 12/31/01	Year 2001E
Highlights												
Tax credit (\$mm)												
Per unit	0.03	0.16	0.03	0.03	0.03	0.03	0.13	0.03	0.03	0.03	0.03	0.12
Distributable Income (\$mm)	2.28	6.55	2.30	2.42	3.35	3.43	11.50	4.53	4.77	3.84	3.66	16.80
Per unit	0.38	1.09	0.38	0.40	0.56	0.57	1.92	0.75	0.80	0.64	0.61	2.80
Units (millions)	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Volume												
Natural Gas (bcf)	0.97	3.64	0.80	0.77	0.83	0.76	3.16	0.76	0.72	0.74	0.73	2.95
Natural Gas (mmcf)	10.6	10.0	8.7	8.5	9.1	8.3	8.6	8.2	8.1	8.1	8.0	8.1
Days	92	365	92	91	91	92	366	92	89	92	92	365
Oil (mb)	94	349	88	81	93	91	353	89	84	85	85	343
Oil (mbd)	1.03	0.96	0.96	0.90	1.01	0.99	0.96	0.97	0.95	0.92	0.92	0.94
Days	92	365	92	90	92	92	366	92	89	92	92	365
Total (bcf)	1.54	5.73	1.33	1.26	1.39	1.31	5.28	1.29	1.23	1.25	1.24	5.01
Price												
Natural Gas (HH lagged three months)												
Henry Hub (\$/mmbtu)	2.52	2.12	2.45	2.62	3.63	4.48	3.29	6.52	7.49	5.81	5.69	6.38
Differential (\$/mmbtu)	0.13	0.13	(0.27)	(0.26)	0.16	-	(0.09)	0.65	0.75	0.58	0.57	0.64
CRT (\$/mcf)	2.39	1.99	2.72	2.88	3.47	4.48	3.38	5.86	6.74	5.23	5.12	5.73
Oil (\$/bbl) (WTI lagged two months)												
WTI Cushing	22.59	17.02	26.07	28.33	30.12	32.73	29.31	30.97	30.06	27.61	26.22	28.71
CRT	20.21	14.89	24.20	26.86	27.91	30.73	27.46	28.97	28.06	25.61	24.22	26.74
Total (\$/mcf)	2.75	2.17	3.25	3.50	3.94	4.75	3.86	5.44	5.89	4.84	4.67	5.21
Revenue (\$mm)												
Natural Gas	2.33	7.26	2.17	2.22	2.88	3.42	10.68	4.43	4.88	3.88	3.75	16.94
Oil	1.91	5.19	2.14	2.18	2.59	2.79	9.70	2.58	2.37	2.17	2.05	9.17
Total	4.23	12.45	4.31	4.40	5.47	6.21	20.38	7.01	7.25	6.05	5.81	26.11
Cost (\$mm)												
Tax, transport & other												
Production	0.50	1.61	0.58	0.61	0.74	0.87	2.80	0.98	1.01	0.85	0.81	3.66
Total	0.60	2.39	0.59	0.65	0.62	0.68	2.54	0.67	0.63	0.64	0.64	2.57
Total	1.09	4.00	1.17	1.26	1.36	1.55	5.34	1.65	1.65	1.48	1.45	6.23
Cash flow (\$mm)												
Development	3.14	8.46	3.13	3.14	4.11	4.66	15.04	5.36	5.60	4.56	4.36	19.88
Excess	0.12	0.74	0.21	0.13	0.16	0.16	0.67	0.16	0.16	0.17	0.17	0.66
Recovery of excess		(0.43)					-					-
Net proceeds (\$mm)	0.40	0.63	0.24	0.15			0.38					-
Net proceeds (\$mm)	2.62	7.52	2.68	2.86	3.95	4.50	13.99	5.20	5.44	4.39	4.19	19.23
Royalty income (\$mm)	2.30	6.69	2.35	2.48	3.39	3.89	12.11	4.57	4.81	3.88	3.70	16.96
Royalty/Net proceeds	88%	89%	88%	87%	86%	86%	87%	88%	88%	88%	88%	88%
Administration	0.02	0.14	0.05	0.05	0.05	0.46	0.61	0.04	0.04	0.04	0.04	0.16
Distributable income (\$mm)	2.28	6.55	2.30	2.42	3.35	3.43	11.50	4.53	4.77	3.84	3.66	16.80
Modeling ratios												
Tax and other/revenue	0.12	0.13	0.13	0.14	0.13	0.14	0.14	0.14	0.14	0.14	0.14	0.14
Production exp (\$/bbl)	6.31	6.86	6.71	8.00	6.69	7.50	7.20	7.50	7.50	7.50	7.50	7.50
Accounting items												
Interest on excess costs	0.01	0.06										
Cumulative excess costs	0.37	0.37	0.15									

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Table DHULZ-1
Dorchester Hugoton, Ltd.
Present Value

Volume Decline (%/yr):	11	Price Escalation Post 2006 (%/yr):	2.5
Volume Enhancement (%/yr):	8	Discount rate (%/yr):	6.7
Capex/Cash Flow (%):	20	U.S. TIPS Inflation (%/yr):	1.7
Variable Cost (%):	10	U.S. 10 Year Yield (%/yr):	5.3
PV/Volume (\$/mcf):	2.13	PV/EBITDA 2001:	6.1

Year	Basic (bcf)	Volume Enhanced (bcf)	Total (bcf)	Price (\$/mcf)	Revenue (\$mm)	Fixed Cost (\$mm)	Var Cost (\$mm)	Cap Ex (\$mm)	Free Cash Flow (\$mm)	(\$/unit)	Disc Factor	Present Value (\$/unit)	
Total 2001 through 2030													
	56	34	91	4.30	390	101	39	35	215	19.81	0.74	14.70	
									Other assets, net	22.0	2.03	1.00	2.03
2001	6.5	0.0	6.5	6.07	39.4	3.9	3.9	6.3	25.3	2.33	0.97	2.26	
2002	5.8	0.5	6.3	4.86	30.6	3.9	3.1	4.7	18.9	1.74	0.91	1.58	
2003	5.1	1.0	6.1	4.31	26.3	3.9	2.6	4.0	15.8	1.46	0.85	1.24	
2004	4.6	1.3	5.9	3.60	21.3	3.9	2.1	3.1	12.2	1.13	0.80	0.90	
2005	4.1	1.7	5.8	3.56	20.5	3.9	2.0	2.9	11.6	1.07	0.75	0.80	
2006	3.6	2.0	5.6	3.52	19.7	3.9	2.0	2.8	11.0	1.02	0.70	0.71	
2007	3.2	2.2	5.4	3.61	19.5	3.9	2.0	2.7	11.0	1.01	0.66	0.66	
2008	2.9	2.4	5.2	3.70	19.4	3.9	1.9	2.7	10.9	1.00	0.61	0.62	
2009	2.6	2.5	5.1	3.80	19.3	3.9	1.9	2.7	10.8	1.00	0.58	0.57	
2010	2.3	2.7	4.9	3.90	19.2	3.9	1.9	2.7	10.7	0.99	0.54	0.53	
2011	2.0	2.4	4.4	3.99	17.6	3.9	1.8		11.9	1.10	0.51	0.56	
2012	1.8	2.1	3.9	4.10	16.0	3.9	1.6		10.5	0.97	0.47	0.46	
2013	1.6	1.9	3.5	4.20	14.6	3.9	1.5		9.3	0.85	0.44	0.38	
2014	1.4	1.7	3.1	4.31	13.3	3.9	1.3		8.1	0.75	0.42	0.31	
2015	1.3	1.5	2.8	4.42	12.2	3.9	1.2		7.1	0.65	0.39	0.25	
2016	1.1	1.3	2.5	4.53	11.1	3.9	1.1		6.1	0.56	0.37	0.21	
2017	1.0	1.2	2.2	4.64	10.1	3.9	1.0		5.2	0.48	0.34	0.17	
2018	0.9	1.0	1.9	4.76	9.3	3.9	0.9		4.4	0.41	0.32	0.13	
2019	0.8	0.9	1.7	4.88	8.4	3.9	0.8		3.7	0.34	0.30	0.10	
2020	0.7	0.8	1.5	5.01	7.7	3.9	0.8		3.0	0.28	0.28	0.08	
2021	0.6	0.7	1.4	5.13	7.0	3.9	0.7		2.4	0.22	0.26	0.06	
2022	0.6	0.7	1.2	5.26	6.4	3.9	0.6		1.9	0.17	0.25	0.04	
2023	0.5	0.6	1.1	5.40	5.9	3.9	0.6		1.4	0.13	0.23	0.03	
2024	0.4	0.5	1.0	5.53	5.3	3.9	0.5		0.9	0.08	0.22	0.02	
2025	0.4	0.5	0.9	5.67	4.9	3.9	0.5		0.5	0.05	0.20	0.01	
2026	0.4	0.4	0.8	5.82	4.5	3.9	0.4		0.1	0.01	0.19	0.00	

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Table DHULZ-2
Dorchester Hugoton, Ltd.
Income Model

	<i>Q4</i>	<i>Year</i>	<i>Q1</i>	<i>Q2</i>	<i>Q3</i>	<i>Q4E</i>	<i>Year</i>	<i>Q1E</i>	<i>Q2E</i>	<i>Q3E</i>	<i>Q4E</i>	<i>Year</i>
	<i>12/31/99</i>	<i>1999</i>	<i>3/31/00</i>	<i>6/30/00</i>	<i>9/30/00</i>	<i>12/31/00</i>	<i>2000E</i>	<i>3/31/01</i>	<i>6/30/01</i>	<i>9/30/01</i>	<i>12/31/01</i>	<i>2001E</i>
Highlights												
Revenue (\$mm)	4.39	15.3	4.16	5.57	7.04	10.24	27.0	11.41	8.84	8.65	8.65	37.6
Cash flow (\$mm)	3.25	10.9	3.09	3.87	5.69	8.62	21.3	9.68	7.33	7.16	7.14	31.3
Per unit	0.30	1.01	0.28	0.36	0.52	0.79	1.96	0.89	0.68	0.66	0.66	2.88
Earnings (\$mm)	2.78	9.0	2.64	3.40	5.24	8.15	19.4	9.22	6.87	6.70	6.69	29.5
Per unit	0.26	0.83	0.24	0.32	0.48	0.75	1.79	0.85	0.63	0.62	0.62	2.72
Distribution (\$mm)	1.93	7.7	3.01	1.93	2.36	2.36	9.7	3.22	3.22	3.22	3.22	12.9
Per unit	0.18	0.72	0.28	0.18	0.22	0.22	0.90	0.30	0.30	0.30	0.30	1.20
Units (millions)	10.74	10.7	10.74	10.74	10.74	10.74	10.7	10.74	10.74	10.74	10.74	10.7
Volume												
Natural gas (bcf)												
Oklahoma	1.43	5.6	1.39	1.37	1.43	1.42	5.6	1.38	1.38	1.39	1.38	5.5
Kansas	0.31	1.3	0.29	0.28	0.27	0.26	1.1	0.25	0.24	0.24	0.23	1.0
Total	1.74	6.9	1.68	1.66	1.70	1.68	6.7	1.63	1.63	1.63	1.61	6.5
Natural Gas (mmcf)	18.9	18.9	18.5	18.2	18.4	18.3	18.3	18.1	17.9	17.7	17.5	17.8
Days	92	365	91	91	92	92	366	90	91	92	92	365
Price												
Natural gas												
Henry Hub (\$/mmbtu)	2.45	2.24	2.62	3.63	4.48	6.52	4.31	7.49	5.81	5.69	5.74	6.18
Oklahoma (\$/mcf)	2.60	2.28	2.53	3.50	4.33	6.39	4.20	7.37	5.69	5.57	5.62	6.06
Kansas (\$/mcf)	2.70	2.36	2.72	3.58	4.41	6.52	4.25	7.45	5.77	5.65	5.70	6.15
Total (\$/mcf)	2.62	2.30	2.57	3.51	4.34	6.41	4.21	7.38	5.70	5.58	5.63	6.07
Revenue (\$mm)												
Natural Gas												
Oklahoma	3.73	12.7	3.53	4.81	6.18	9.06	23.6	10.16	7.88	7.74	7.76	33.5
Kansas	0.83	3.1	0.79	1.01	1.19	1.70	4.7	1.84	1.40	1.34	1.32	5.9
Other	0.05	0.2	0.05	0.05	0.06	0.05	0.2	0.05	0.05	0.05	0.05	0.2
Production payment (ORRI)	(0.23)	(0.8)	(0.21)	(0.30)	(0.39)	(0.57)	(1.5)	(0.64)	(0.49)	(0.48)	(0.48)	(2.1)
Total	4.39	15.3	4.16	5.57	7.04	10.24	27.0	11.41	8.84	8.65	8.65	37.6
Cost (\$mm)												
Operating	0.95	3.6	0.92	1.04	1.07	1.29	4.3	1.39	1.22	1.21	1.21	5.0
General and administrative	0.16	0.6	0.14	0.18	0.20	0.21	0.7	0.22	0.19	0.19	0.19	0.8
Management	0.13	0.5	0.13	0.14	0.16	0.19	0.6	0.20	0.18	0.17	0.17	0.7
Other	(0.10)	(0.3)	(0.11)	0.35	(0.07)	(0.08)	0.1	(0.08)	(0.08)	(0.08)	(0.08)	(0.3)
Total	1.13	4.4	1.07	1.70	1.35	1.61	5.7	1.74	1.51	1.50	1.50	6.2
Cash flow (\$mm)	3.25	10.9	3.09	3.87	5.69	8.62	21.3	9.68	7.33	7.16	7.14	31.3
Depletion, deprec. & amort.	0.48	1.9	0.45	0.46	0.45	0.47	1.8	0.46	0.46	0.46	0.45	1.8
Earnings (\$mm)	2.78	9.0	2.64	3.40	5.24	8.15	19.4	9.22	6.87	6.70	6.69	29.5
Capital expenditures (\$mm)	0.10	0.4	0.04	0.13	0.23	0.15	0.6	1.45	1.10	1.07	1.07	4.7
Cost ratios												
Prod pay/revenue	5.0%	4.7%	4.8%	5.1%	5.3%	5.3%	5.2%	5.3%	5.3%	5.3%	5.3%	5.3%
Operating cost (\$/mcf)	0.54	0.52	0.54	0.63	0.63	0.77	0.64	0.85	0.75	0.74	0.75	0.77
Depletion (\$/mcf)	0.27	0.28	0.27	0.28	0.27	0.28	0.27	0.28	0.28	0.28	0.28	0.28

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Table HGT-1
Hugoton Royalty Trust
Present Value

Volume Decline (%/yr):	10	Price Escalation Post 2006 (%/yr):	2.5
Volume Enhancement (%/yr):	10	Discount rate (%/yr):	6.7
Capex/Cash Flow (%):	25	U.S. TIPS Inflation (%/yr):	1.7
Variable Cost (%):	11	U.S. 10 Year Yield (%/yr):	5.3
PV/Volume (\$/mcf):	1.27	PV/EBITDA 2001:	5.2

Year	Basic (bcf)	Volume Enhanced (bcf)	Total (bcf)	Price (\$/mcf)	Revenue (\$mm)	Fixed Cost (\$mm)	Var Cost (\$mm)	Cap Ex (\$mm)	Distribution (\$mm)	(\$/unit)	Tax Credit (\$/unit)	Disc Factor	Present Value (\$/unit)
Total 200 through 2030	302	263	565	4.01	2270	572	250	218	1230	30.75	0.04	0.58	17.90
2001	31.6	0.0	31.6	5.60	176.8	19.1	19.5	34.7	103.7	2.59	0.02	0.97	2.53
2002	28.4	3.2	31.6	4.61	145.7	19.1	16.0	27.6	82.9	2.07	0.02	0.91	1.90
2003	25.6	6.0	31.6	4.09	129.2	19.1	14.2	24.0	72.0	1.80		0.85	1.53
2004	23.0	8.6	31.6	3.30	104.1	19.1	11.5	18.4	55.2	1.38		0.80	1.10
2005	20.7	10.9	31.6	3.26	102.8	19.1	11.3	18.1	54.3	1.36		0.75	1.01
2006	18.6	12.9	31.6	3.22	101.8	19.1	11.2	17.9	53.6	1.34		0.70	0.94
2007	16.8	14.8	31.6	3.31	104.4	19.1	11.5	18.5	55.4	1.38		0.66	0.91
2008	15.1	16.5	31.6	3.39	107.0	19.1	11.8	19.0	57.1	1.43		0.61	0.88
2009	13.6	18.0	31.6	3.48	109.7	19.1	12.1	19.6	58.9	1.47		0.58	0.85
2010	12.2	19.3	31.6	3.56	112.5	19.1	12.4	20.3	60.8	1.52		0.54	0.82
2011	11.0	17.4	28.4	3.65	103.9	19.1	11.4		73.3	1.83		0.51	0.93
2012	9.9	15.7	25.6	3.75	95.8	19.1	10.5		66.2	1.66		0.47	0.79
2013	8.9	14.1	23.0	3.84	88.4	19.1	9.7		59.6	1.49		0.44	0.66
2014	8.0	12.7	20.7	3.94	81.6	19.1	9.0		53.6	1.34		0.42	0.56
2015	7.2	11.4	18.6	4.04	75.3	19.1	8.3		48.0	1.20		0.39	0.47
2016	6.5	10.3	16.8	4.14	69.5	19.1	7.6		42.8	1.07		0.37	0.39
2017	5.9	9.3	15.1	4.25	64.2	19.1	7.1		38.0	0.95		0.34	0.33
2018	5.3	8.3	13.6	4.36	59.2	19.1	6.5		33.6	0.84		0.32	0.27
2019	4.7	7.5	12.2	4.47	54.6	19.1	6.0		29.6	0.74		0.30	0.22
2020	4.3	6.7	11.0	4.58	50.4	19.1	5.5		25.8	0.64		0.28	0.18
2021	3.8	6.1	9.9	4.70	46.5	19.1	5.1		22.3	0.56		0.26	0.15
2022	3.5	5.5	8.9	4.82	42.9	19.1	4.7		19.1	0.48		0.25	0.12
2023	3.1	4.9	8.0	4.94	39.6	19.1	4.4		16.2	0.40		0.23	0.09
2024	2.8	4.4	7.2	5.06	36.6	19.1	4.0		13.5	0.34		0.22	0.07
2025	2.5	4.0	6.5	5.19	33.8	19.1	3.7		11.0	0.27		0.20	0.06
2026	2.3	3.6	5.9	5.32	31.1	19.1	3.4		8.6	0.22		0.19	0.04
2027	2.0	3.2	5.3	5.46	28.7	19.1	3.2		6.5	0.16		0.18	0.03
2028	1.8	2.9	4.7	5.60	26.5	19.1	2.9		4.5	0.11		0.17	0.02
2029	1.7	2.6	4.3	5.74	24.5	19.1	2.7		2.7	0.07		0.16	0.01
2030	1.5	2.4	3.8	5.88	22.6	19.1	2.5		1.0	0.03		0.15	0.00

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Table HGT-2
Hugoton Royalty Trust
Distributable Income

	Q4 12/31/99	Year 1999	Q1 3/31/00	Q2 6/30/00	Q3 9/30/00	Q4E 12/31/00	Year 2000E	Q1E 3/31/01	Q2E 6/30/01	Q3E 9/30/01	Q4E 12/31/01	Year 2001E
Highlights												
Revenue (\$mm) (80%)	20.4	63.1	20.0	19.8	28.2	33.5	101.5	52.7	45.2	39.6	39.4	176.8
Cash flow (\$mm) (80%)	14.4	42.2	14.1	13.9	20.8	25.5	74.3	42.2	35.6	30.5	30.3	138.6
Per unit	0.36	1.06	0.35	0.35	0.52	0.64	1.86	1.06	0.89	0.76	0.76	3.47
Tax credit (\$mm)	0.2	0.8	0.2	0.2	0.2	0.2	0.8	0.2	0.2	0.2	0.2	0.8
Per unit	0.01	0.02	0.01	0.01	0.01	0.01	0.02	0.01	0.01	0.01	0.01	0.02
Distributable Income (\$mm)	12.2	33.1	10.9	11.3	16.2	18.3	56.7	31.6	26.6	22.8	22.6	103.7
Per unit	0.30	0.83	0.27	0.28	0.40	0.46	1.42	0.79	0.67	0.57	0.57	2.59
Units (millions)	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0
Volume												
Natural Gas (bcf)	9.6	34.2	9.7	8.6	9.1	9.4	36.8	9.4	9.1	9.4	9.4	37.2
Natural Gas (mmcf)	104.2	102.1	105.5	96.0	98.4	102.7	100.9	102.0	102.0	102.0	102.0	102.0
Days	92	335	92	90	92	92	366	92	89	92	92	365
Oil (mb)	103	388	100	105	98	97	399	96	92	94	93	374
Oil (mhd)	1.1	1.1	1.1	1.2	1.1	1.1	1.1	1.0	1.0	1.0	1.0	1.0
Days	92	342	92	90	92	92	366	92	89	92	92	365
Total (bcf)	10.2	36.5	10.3	9.3	9.6	10.0	39.2	10.0	9.6	9.9	9.9	39.5
Price												
Natural Gas (HH lagged two months)												
Henry Hub (\$/mmbtu)	2.66	2.18	2.35	2.82	3.94	4.83	3.49	7.62	6.73	5.69	5.67	6.43
Differential (\$/mmbtu)	0.24	0.06	0.04	0.29	0.37	0.72	0.35	0.91	0.81	0.68	0.68	0.77
HGT (\$/mcf)	2.42	2.12	2.32	2.54	3.57	4.11	3.14	6.71	5.92	5.01	4.99	5.65
Oil (\$/bbl) (WTI Cushing lagged two months)												
WTI Cushing	22.59	17.39	26.07	28.33	30.12	31.69	29.05	30.97	30.06	27.61	26.22	28.71
HGT	21.72	16.53	25.19	27.63	29.71	30.69	28.27	30.47	29.56	27.11	25.72	28.22
Total (\$/mcf)	2.49	2.16	2.43	2.68	3.65	4.17	3.23	6.61	5.86	4.98	4.95	5.60
Revenue (\$mm)												
Natural Gas	23.2	72.5	22.5	21.9	32.3	38.9	115.6	63.0	53.7	47.0	46.8	210.5
Oil	2.2	6.4	2.5	2.9	2.9	3.0	11.3	2.9	2.7	2.5	2.4	10.6
Total	25.4	78.9	25.0	24.8	35.2	41.8	126.8	65.9	56.4	49.5	49.2	221.1
Cost (\$mm)												
Tax, transport & other												
Production	2.6	8.3	2.4	2.4	3.4	3.5	11.7	6.6	5.6	5.0	4.9	22.1
Overhead	3.0	11.0	3.3	3.2	3.9	4.6	15.0	4.5	4.3	4.5	4.5	17.8
Total	1.7	6.9	1.7	1.8	1.9	1.8	7.2	2.0	1.9	2.0	2.0	7.9
Cash flow (\$mm)	7.4	26.2	7.4	7.4	9.2	9.9	34.0	13.1	11.9	11.4	11.4	47.8
Development	18.1	52.8	17.6	17.4	26.0	31.9	92.9	52.8	44.5	38.1	37.8	173.3
Net proceeds (\$mm)	2.8	11.3	3.9	3.3	5.8	8.9	21.8	13.2	11.1	9.5	9.5	43.3
Royalty/Net proceeds (\$mm)	15.2	41.4	13.7	14.1	20.3	23.0	71.1	39.6	33.4	28.6	28.4	130.0
Royalty/Net proceeds	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%
Administration	0.0	0.1	0.0	0.0	0.0	0.1	0.2	0.1	0.1	0.1	0.1	0.3
Distributable income (\$mm)	12.2	33.1	10.9	11.3	16.2	18.3	56.7	31.6	26.6	22.8	22.6	103.7
Cost ratios												
Tax and other/revenue	10%	10%	10%	10%	10%	8%	9%	10%	10%	10%	10%	10%
Production cost (\$/mcf)	0.29	0.30	0.32	0.35	0.40	0.46	0.38	0.45	0.45	0.45	0.45	0.45
Overhead cost (\$/mcf)	0.17	0.19	0.17	0.19	0.20	0.18	0.18	0.20	0.20	0.20	0.20	0.20

Note: The trust was formed on December 1, 1998. Also there is a two month lag between actual and reported production. As a result, the first year of operations includes only eleven months of actual production from December 1998 through October 1999.

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Table SJT-1
San Juan Basin Royalty Trust
Present Value

Volume Decline (%/yr):	10	Price Escalation Post 2006 (%/yr):	2.5
Volume Enhancement (%/yr):	10	Discount rate (%/yr):	6.7
Capex/Cash Flow (%):	25	U.S. TIPS Inflation (%/yr):	1.7
Variable Cost (%):	9	U.S. 10 Year Yield (%/yr):	5.3
PV/Volume (\$/mcf):	1.34	PV/EBITDA 2001:	5.5

Year	Basic (bcf)	Volume Enhanced (bcf)	Total (bcf)	Price (\$/mcf)	Revenue (\$mm)	Fixed Cost (\$mm)	Var Cost (\$mm)	Cap Ex (\$mm)	Distribution (\$mm)	(\$/unit)	Tax Credit (\$/unit)	Disc Factor	Present Value (\$/unit)
Total 2001 through 2030													
	300	261	562	3.80	2133	391	192	221	1330	28.53	0.32	0.56	16.20
2001	31.4	0.0	31.4	5.31	166.5	13.0	15.0	34.8	103.7	2.22	0.16	0.97	2.31
2002	28.2	3.1	31.4	4.13	129.5	13.0	11.7	26.2	78.6	1.69	0.16	0.91	1.68
2003	25.4	6.0	31.4	3.66	114.9	13.0	10.3	22.9	68.6	1.47		0.85	1.25
2004	22.9	8.5	31.4	3.15	98.7	13.0	8.9	19.2	57.6	1.24		0.80	0.99
2005	20.6	10.8	31.4	3.11	97.5	13.0	8.8	18.9	56.8	1.22		0.75	0.91
2006	18.5	12.8	31.4	3.07	96.4	13.0	8.7	18.7	56.0	1.20		0.70	0.84
2007	16.7	14.7	31.4	3.15	98.9	13.0	8.9	19.2	57.7	1.24		0.66	0.81
2008	15.0	16.4	31.4	3.23	101.4	13.0	9.1	19.8	59.4	1.28		0.61	0.78
2009	13.5	17.9	31.4	3.31	103.9	13.0	9.4	20.4	61.2	1.31		0.58	0.76
2010	12.2	19.2	31.4	3.40	106.6	13.0	9.6	21.0	63.0	1.35		0.54	0.73
2011	10.9	17.3	28.2	3.48	98.4	13.0	8.9		76.5	1.64		0.51	0.83
2012	9.8	15.6	25.4	3.57	90.8	13.0	8.2		69.6	1.49		0.47	0.71
2013	8.9	14.0	22.9	3.66	83.8	13.0	7.5		63.2	1.36		0.44	0.60
2014	8.0	12.6	20.6	3.76	77.3	13.0	7.0		57.3	1.23		0.42	0.51
2015	7.2	11.3	18.5	3.85	71.3	13.0	6.4		51.9	1.11		0.39	0.43
2016	6.5	10.2	16.7	3.95	65.8	13.0	5.9		46.9	1.01		0.37	0.37
2017	5.8	9.2	15.0	4.05	60.8	13.0	5.5		42.3	0.91		0.34	0.31
2018	5.2	8.3	13.5	4.15	56.1	13.0	5.0		38.0	0.82		0.32	0.26
2019	4.7	7.4	12.2	4.26	51.8	13.0	4.7		34.1	0.73		0.30	0.22
2020	4.2	6.7	10.9	4.37	47.8	13.0	4.3		30.4	0.65		0.28	0.18
2021	3.8	6.0	9.8	4.48	44.1	13.0	4.0		27.1	0.58		0.26	0.15
2022	3.4	5.4	8.9	4.59	40.7	13.0	3.7		24.0	0.51		0.25	0.13
2023	3.1	4.9	8.0	4.71	37.5	13.0	3.4		21.1	0.45		0.23	0.11
2024	2.8	4.4	7.2	4.83	34.6	13.0	3.1		18.5	0.40		0.22	0.09
2025	2.5	4.0	6.5	4.95	32.0	13.0	2.9		16.1	0.34		0.20	0.07
2026	2.3	3.6	5.8	5.08	29.5	13.0	2.7		13.8	0.30		0.19	0.06
2027	2.0	3.2	5.2	5.20	27.2	13.0	2.5		11.8	0.25		0.18	0.05
2028	1.8	2.9	4.7	5.34	25.1	13.0	2.3		9.8	0.21		0.17	0.04
2029	1.6	2.6	4.2	5.47	23.2	13.0	2.1		8.1	0.17		0.16	0.03
2030	1.5	2.3	3.8	5.61	21.4	13.0	1.9		6.5	0.14		0.15	0.02

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Table SJT-2
San Juan Basin Royalty Trust
Distributable Income Model

	Q4 12/31/99	Year 1999	Q1 3/31/00	Q2 6/30/00	Q3 9/30/00	Q4E 12/31/00	Year 2000E	Q1E 3/31/01	Q2E 6/30/01	Q3E 9/30/01	Q4E 12/31/01	Year 2001E
Highlights												
Revenue (\$mm) (75%)	17.4	53.2	17.3	19.3	29.0	29.8	95.3	50.3	43.1	36.9	36.3	166.5
Cash flow (\$mm) (75%)	13.4	39.6	13.3	13.7	23.6	24.7	75.2	42.6	36.1	30.6	30.0	139.3
Per unit	0.29	0.85	0.28	0.29	0.51	0.53	1.61	0.91	0.78	0.66	0.64	2.99
Tax credit (\$mm)	2.5	7.6	1.9	1.9	1.9	1.9	7.5	1.9	1.9	1.9	1.9	7.5
Per unit	0.05	0.16	0.04	0.04	0.04	0.04	0.16	0.04	0.04	0.04	0.04	0.16
Distributable Income (\$mm)	11.3	31.8	9.9	13.2	19.7	16.5	59.2	31.7	26.9	22.7	22.3	103.7
Per unit	0.24	0.68	0.21	0.28	0.42	0.35	1.27	0.68	0.58	0.49	0.48	2.22
Units (millions)	46.6	46.6	46.6	46.6	46.6	46.6	46.6	46.6	46.6	46.6	46.6	46.6
Volume												
Natural gas (mmbtu)												
Conventional	6.7	26.9	7.0	7.1	8.4							
Coal Seam	3.5	14.4	3.6	3.9	4.0							
Total	10.3	41.3	10.6	11.0	12.4	11.2	45.1	11.2	10.9	11.0	10.9	43.9
Heat Content(btu/cf)	1,045	1,035	1,053	1,028	1,104	1,084	1,068	1,061	1,061	1,061	1,061	1,061
Natural gas (bcf)												
Conventional	5.8	23.5	5.9	6.3	6.7							
Coal Seam	4.0	16.4	4.1	4.4	4.5							
Total	9.8	39.9	10.1	10.7	11.2	10.3	42.2	10.6	10.2	10.4	10.2	41.4
Natural Gas (mmcf)	106.7	109.4	109.6	118.5	121.6	111.8	115.4	114.8	113.7	112.5	111.4	113.1
Days	92	365	92	90	92	92	366	92	90	92	92	366
Oil (mb)	0.0	0.1	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.1
Oil (mbd)	0.2	0.2	0.3	0.2	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Days	92	365	92	90	92	92	366	92	90	92	92	366
Total gas & oil (bcf)	9.9	40.4	10.2	10.8	11.4	10.4	42.8	10.7	10.3	10.5	10.4	41.8
Price												
Natural gas (\$/mmbtu) (Henry Hub lagged two months)												
Henry Hub (\$/mmbtu)	2.66	2.17	2.35	2.82	3.94	4.83	3.49	7.62	6.73	5.69	5.67	6.43
Differential (\$/mmbtu)	0.44	0.48	0.23	0.52	0.87	1.31	0.72	1.68	1.48	1.25	1.25	1.41
SJT Conventional	2.27	1.75	2.17	2.36	3.14							
SJT Coal Seam	2.13	1.58	2.03	2.20	2.92							
Total	2.22	1.69	2.12	2.30	3.07	3.52	2.77	5.95	5.25	4.44	4.42	5.02
Natural gas (\$/mcf)												
Conventional	2.63	2.00	2.54	2.67	3.95							
Coal Seam	1.88	1.39	1.79	1.94	2.56							
Total	2.32	1.75	2.23	2.37	3.39	3.81	2.96	5.60	4.95	4.18	4.17	5.33
Oil (\$/bbl) (WTI Cushing lagged two months)												
WTI Cushing	22.59	17.02	26.07	28.33	30.12	32.73	29.31	28.79	30.06	27.61	18.24	26.17
SJT	20.66	14.25	22.48	21.66	25.58	28.73	24.49	24.79	26.06	23.61	14.24	22.15
Total gas & oil (\$/mcf)	2.33	1.76	2.25	2.38	3.40	3.82	2.97	6.29	5.55	4.70	4.67	5.31
Revenue (\$mm)												
Natural Gas - Conventional												
Coal Seam	7.6	22.8	7.4	8.5	11.6							
Total	22.8	69.9	22.5	25.2	37.9	39.2	124.9	66.6	56.9	48.8	48.1	220.4
Oil	0.4	1.0	0.5	0.5	0.7	0.5	2.2	0.5	0.5	0.4	0.3	1.6
Total	23.2	71.0	23.0	25.7	38.6	39.8	127.1	67.1	57.4	49.2	48.3	222.0
Cost (\$mm)												
Severance tax	2.4	7.3	2.2	2.3	4.2	3.7	12.4	6.7	5.7	4.9	4.8	22.2
Operating	2.9	10.8	3.1	5.2	3.1	3.2	14.5	3.6	3.5	3.5	3.5	14.1
Total	5.3	18.1	5.4	7.5	7.2	6.9	26.9	10.3	9.2	8.4	8.3	36.3
Cash flow (\$mm)												
Development	2.6	10.6	4.6	4.8	5.0	11.2	25.6	14.2	12.0	10.2	10.0	46.4
Net proceeds (\$mm)	15.3	42.3	13.1	13.5	26.4	21.7	74.6	42.6	36.1	30.6	30.0	139.3
Royalty income (\$mm)												
Royalty/Net proceeds	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%
Administration	0.2	0.8	0.2	0.4	0.2	(0.2)	0.5	0.2	0.2	0.2	0.2	0.8
One-time		0.9	0.3	3.5			3.7					-
Distributable income (\$mm)	11.3	31.8	9.9	13.2	19.7	16.5	59.2	31.7	26.9	22.7	22.3	103.7
Modeling ratios												
Severance tax/revenue	10.3%	10.3%	9.8%	9.0%	10.8%	9.2%	9.7%	10.0%	10.0%	10.0%	10.0%	10.0%
Operating cost (\$/mcf)	0.29	0.27	0.30	0.48	0.27	0.31	0.34	0.34	0.34	0.34	0.34	0.34

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Table BR-1
Burlington Resources
Present Value

Volume Decline (%/yr):	11	Price Escalation Post 2006 (%/yr):	2.5
Volume Enhancement (%/yr):	11	Discount rate (%/yr):	6.7
Capex/Cash Flow (%):	50	U.S. TIPS Inflation (%/yr):	1.7
Variable Cost (%):	14	U.S. 10 Year Yield (%/yr):	5.3
PV/Volume (\$/mcf):	0.78	PV/EBITDA 2001:	4.9

Year	Basic (bcf)	Volume Enhanced (bcf)	Total (bcf)	Price (\$/mcf)	Revenue (\$mm)	Fixed Cost (\$mm)	Var Cost (\$mm)	Cap Ex (\$mm)	Cash Flow (\$mm)	Disc Factor	Present Value (\$mm)
Total 2001 through 2030											
	7417	10827	18244	3.94	71798	15915	10052	15688	30143	0.47	14200
2001	841	0	841	4.74	3990	531	559	1450	1450	0.97	1404
2002	749	93	841	4.31	3626	531	508	1294	1294	0.91	1174
2003	666	175	841	3.28	2757	531	386	920	920	0.85	782
2004	593	248	841	3.24	2724	531	381	906	906	0.80	722
2005	528	313	841	3.20	2693	531	377	893	893	0.75	667
2006	470	372	841	3.17	2668	531	374	882	882	0.70	617
2007	418	423	841	3.25	2736	531	383	911	911	0.66	598
2008	372	469	841	3.33	2805	531	393	941	941	0.61	579
2009	331	510	841	3.42	2877	531	403	972	972	0.58	560
2010	295	547	841	3.51	2950	531	413	1003	1003	0.54	542
2011	262	579	841	3.59	3025	531	423	1035	1035	0.51	524
2012	234	608	841	3.69	3102	531	434	1068	1068	0.47	507
2013	208	634	841	3.78	3180	531	445	1102	1102	0.44	490
2014	185	656	841	3.88	3261	531	457	1137	1137	0.42	474
2015	165	677	841	3.97	3344	531	468	1173	1173	0.39	458
2016	147	602	749	4.08	3052	531	427		2094	0.37	766
2017	130	536	666	4.18	2785	531	390		1865	0.34	640
2018	116	477	593	4.28	2542	531	356		1655	0.32	532
2019	103	425	528	4.39	2319	531	325		1464	0.30	441
2020	92	378	470	4.51	2117	531	296		1290	0.28	364
2021	82	336	418	4.62	1932	531	270		1131	0.26	299
2022	73	299	372	4.74	1763	531	247		986	0.25	244
2023	65	266	331	4.86	1609	531	225		853	0.23	198
2024	58	237	295	4.98	1468	531	206		732	0.22	160
2025	51	211	262	5.11	1340	531	188		622	0.20	127
2026	46	188	234	5.24	1223	531	171		521	0.19	100
2027	41	167	208	5.37	1116	531	156		429	0.18	77
2028	36	149	185	5.51	1018	531	143		345	0.17	58
2029	32	132	165	5.65	929	531	130		269	0.16	42
2030	29	118	147	5.79	848	531	119		199	0.15	29

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Table BR-2
Burlington Resources
Income Model

	<i>Q4</i>	<i>Year</i>	<i>Q1</i>	<i>Q2</i>	<i>Q3</i>	<i>Q4</i>	<i>Year</i>	<i>Q1E</i>	<i>Q2E</i>	<i>Q3E</i>	<i>Q4E</i>	<i>Year</i>
	<i>12/31/99</i>	<i>1999</i>	<i>3/31/00</i>	<i>6/30/00</i>	<i>9/30/00</i>	<i>12/31/00</i>	<i>2000</i>	<i>3/31/01</i>	<i>6/30/01</i>	<i>9/30/01</i>	<i>12/31/01</i>	<i>2001E</i>
Highlights												
Revenue (\$mm)	690	2,313	708	680	760	999	3,147	1,084	933	977	996	3,990
Ebitda (\$mm)	390	1,319	466	413	519	711	2,109	807	663	705	725	2,901
Cash Flow (\$mm)	347	1,099	411	335	440	653	1,839	729	591	631	650	2,601
Per share (\$)	1.61	5.09	1.90	1.55	2.04	3.04	8.51	3.39	2.75	2.94	3.02	12.10
Net Income (\$mm)	(84)	1	77	94	200	304	675	397	282	309	321	1,309
Per share (\$)	(0.38)	0.01	0.36	0.43	0.93	1.41	3.13	1.84	1.31	1.44	1.49	6.09
Shares (millions)	216	216	216	216	216	215	216	215	215	215	215	215
Volume												
Natural gas (bcf)												
U.S.	141	543	140	134	127	127	528	124	126	127	127	504
Canada	38	157	38	34	36	37	145	40	40	40	40	161
Overseas	13	32	15	10	7	12	45	13	13	13	13	51
Total	192	731	193	179	170	176	718	176	178	180	180	715
Natural Gas (mmcf)												
U.S.	1,536	1,487	1,535	1,470	1,382	1,380	1,441	1,380	1,380	1,380	1,380	1,376
Canada	417	429	419	379	387	403	397	440	440	440	440	439
Overseas	137	88	167	114	80	128	122	140	140	140	140	140
Total	2,090	2,004	2,121	1,963	1,849	1,911	1,961	1,960	1,960	1,960	1,960	1,955
Days	92	365	91	91	92	92	366	90	91	92	92	365
Oil (mb)	8	33	8	7	7	6	29	6	5	5	5	21
Oil (mcb)	89	90	91	79	73	70	78	64	60	55	51	58
Total gas & oil (bcf)	241	928	242	222	211	214	889	211	211	211	209	841
Price												
Natural gas (\$/mcf)												
Henry Hub (\$/mmbtu)	2.45	2.24	2.62	3.63	4.48	6.52	4.31	7.49	5.81	5.69	5.74	6.18
U.S.	2.78	2.49	2.64	2.70	3.26	4.47	3.25	5.08	4.53	4.99	5.24	4.96
Canada	2.04	1.76	2.63	3.09	4.05	6.04	3.96	6.49	4.81	4.69	4.74	5.17
Overseas	1.68	1.93	1.90	2.17	2.31	2.58	2.21	2.65	2.42	2.27	2.15	2.37
Total	2.56	2.31	2.58	2.74	3.38	4.67	3.32	5.22	4.44	4.72	4.90	4.82
Oil (\$/bbl)												
WTI Cushing	24.52	19.24	28.84	28.79	31.61	32.00	30.31	30.45	28.16	26.65	25.51	27.69
Worldwide	22.52	16.85	23.36	24.38	26.81	26.39	25.11	26.45	24.16	22.65	21.51	23.83
Total gas & oil (\$/mcf)	2.86	2.49	2.92	3.06	3.61	4.66	3.54	5.14	4.42	4.63	4.77	4.74
Revenue (\$mm)												
Natural Gas												
U.S.	393	1,351	369	361	414	568	1,712	631	569	633	665	2,497
Canada	78	276	100	107	144	224	575	257	193	190	192	831
Overseas	21	62	29	23	17	30	99	33	31	29	28	121
Total	492	1,689	498	490	576	822	2,386	921	792	852	884	3,449
Oil	184	553	193	176	181	169	719	152	131	115	102	500
Other	14	71	17	14	3	8	43	10	10	10	10	40
Total	690	2,313	708	680	760	999	3,147	1,084	933	977	996	3,990
Cost (\$mm)												
Production Taxes	34	109	33	38	31	45	147	51	44	46	47	188
Operating	178	703	171	183	175	174	703	171	171	171	169	682
Administrative	33	141	39	39	37	50	165	50	50	50	50	200
Other	55	41	(1)	7	(2)	19	23	5	5	5	5	20
Total	300	994	242	267	241	288	1,038	277	270	272	271	1,089
Ebitda (\$mm)	390	1,319	466	413	519	711	2,109	807	663	705	725	2,901
Interest	49	211	50	53	48	46	197	46	46	46	46	184
Current income tax	(6)	9	5	25	31	12	73	32	27	28	29	116
Cash flow (\$mm)	347	1,099	411	335	440	653	1,839	729	591	631	650	2,601
Exploration	76	225	98	48	28	63	237	120	50	50	50	270
Deprec., Deplet., & Amort.	166	631	180	171	171	182	704	182	182	182	182	728
Other non cash	221	229	1	3	(1)	1	4	1	1	1	1	4
Income before deferred tax	(116)	14	132	113	242	407	894	426	358	398	417	1,869
Deferred income tax	(32)	13	55	19	42	103	219	149	125	139	146	560
Net Income (\$mm)	(84)	1	77	94	200	304	675	397	282	309	321	1,309
Production Tax/Revenue	4.9%	4.7%	4.7%	5.6%	4.1%	4.5%	4.7%	4.7%	4.7%	4.7%	4.7%	4.7%
Operating Cost (\$/mcf)	0.74	0.76	0.71	0.82	0.83	0.81	0.79	0.81	0.81	0.81	0.81	0.81
Margin - relative	50%	48%	58%	49%	58%	65%	58%	67%	63%	65%	65%	65%
Margin - absolute (\$/mcf)	1.44	1.18	1.69	1.51	2.09	3.05	2.07	3.45	2.80	2.99	3.12	3.09
Tax rate	31%	96%	44%	32%	27%	27%	30%	31%	35%	35%	35%	34%

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Table EPL-1
Energy Partners, Ltd.
Present Value

Volume Decline (%/yr):	15	Price Escalation post 2006 (%/yr):	1.7
Volume Enhancement (%/yr):	31	Discount rate (%/yr):	6.7
Capex/Cash Flow (%):	100	U.S. TIPS Inflation (%/yr):	1.7
Variable Cost (%):	13	U.S. 10 Year Yield (%/yr):	5.3
PV/Volume (\$/bbl):	3.70	PV/EBITDA 2001:	3.2

Year	Basic (mb)	Volume Enhanced (mb)	Total (mb)	Price (\$/bbl)	Revenue (\$mm)	Fixed Cost (\$mm)	Var Cost (\$mm)	Cap Ex (\$mm)	Pre- Tax (\$mm)	Income Tax (\$mm)	Cash Flow (\$mm)	Disc Factor	Present Value (\$mm)
Total 2001 through 2015													
	46800	96700	143500	22.88	3284	552	427	1146	1159	166	993	0.46	528
2001	7300	0	7300	30.10	220	28	29	164	0	0	0	0.97	0
2002	6205	2263	8468	25.63	217	28	28	161	0	0	0	0.91	0
2003	5274	4549	9823	23.47	231	28	30	173	0	0	0	0.85	0
2004	4483	6911	11395	21.28	242	28	32	183	0	0	0	0.80	0
2005	3811	9407	13218	21.04	278	28	36	214	0	0	0	0.75	0
2006	3239	12093	15332	20.84	320	28	42	250	0	0	0	0.70	0
2007	2753	10279	13033	21.20	276	28	36		213	30	182	0.66	120
2008	2340	8738	11078	21.57	239	28	31		180	26	155	0.61	95
2009	1989	7427	9416	21.95	207	28	27		152	22	130	0.58	75
2010	1691	6313	8004	22.33	179	28	23		128	18	110	0.54	59
2011	1437	5366	6803	22.72	155	28	20		107	15	92	0.51	46
2012	1222	4561	5783	23.11	134	28	17		89	13	76	0.47	36
2013	1038	3877	4915	23.51	116	28	15		73	10	63	0.44	28
2014	883	3295	4178	23.92	100	28	13		59	8	51	0.42	21
2015	750	2801	3551	24.34	86	28	11		48	7	41	0.39	16
2016	638	2381	3019	24.76	75	28	10		37	5	32	0.37	12
2017	542	2024	2566	25.19	65	28	8		29	4	25	0.34	8
2018	461	1720	2181	25.63	56	28	7		21	3	18	0.32	6
2019	392	1462	1854	26.08	48	28	6		14	2	12	0.30	4
2020	333	1243	1576	26.53	42	28	5		9	1	8	0.28	2

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Table EPL-2
Energy Partners, Ltd.
Cash Flow

	<i>H1</i>	<i>Q3</i>	<i>Q4E</i>	<i>Year</i>	<i>Q1E</i>	<i>Q2E</i>	<i>Q3E</i>	<i>Q4E</i>	<i>Year</i>
	<i>6/30/00</i>	<i>9/30/00</i>	<i>12/31/00</i>	<i>2000E</i>	<i>3/31/01</i>	<i>6/30/01</i>	<i>9/30/01</i>	<i>12/31/01</i>	<i>2001E</i>
Highlights									
Revenue (\$mm)	30.4	30.7	44.6	105.7	52.1	51.0	56.9	59.8	219.7
EBITDAX (\$mm)	18.0	19.5	31.4	69.0	38.5	37.4	43.0	45.8	164.8
Cash Flow (\$mm)	15.4	17.2	30.4	63.0	38.2	37.1	42.7	45.5	163.6
Per share (\$)			1.59		1.41	1.37	1.58	1.68	6.04
Net Income (\$mm)	8.3	5.2	(14.1)	(0.6)	14.3	14.3	16.9	18.1	63.6
Per share	0.46	0.29	(0.74)		0.53	0.53	0.62	0.67	2.35
Shares (millions)		18.1	19.1		27.1	27.1	27.1	27.1	27.1
Volume									
Natural Gas (bcf)	1.48	1.49	3.04	6.00	3.83	4.26	4.75	5.05	17.88
Natural Gas (mmcf)	8.1	16.1	33.0	16.4	42.5	46.8	51.6	54.9	49.0
Days	182	92	92	366	90	91	92	92	365
Oil (mb)	965	899	920	2,785	927	1,019	1,141	1,233	4,320
Oil (mbd)	5.30	9.78	10.00	7.61	10.30	11.20	12.40	13.40	11.84
Total (mb)	1,212	1,147	1,426	3,785	1,565	1,729	1,932	2,075	7,300
Total (mbd)	6.7	12.5	15.5	10.3	17.4	19.0	21.0	22.5	20.0
Price									
Natural Gas									
Henry Hub (\$/mmbtu)	3.13	4.48	6.52	4.31	7.49	5.81	5.69	5.74	6.18
Differential (\$/mmbtu)	(0.40)	(0.29)	(0.20)	(1.14)	(0.20)	(0.20)	(0.20)	(0.20)	(0.14)
EPL (\$/mcf)	3.52	4.77	6.72	5.45	7.69	6.01	5.89	5.94	6.32
Oil (\$/bbl)									
WTI Cushing	28.81	31.61	32.00	30.31	30.45	28.16	26.65	25.51	27.69
Differential	3.12	5.43	5.64	4.24	6.01	3.25	1.30	1.30	2.97
EPL	25.69	26.18	26.36	26.07	24.44	24.91	25.35	24.21	24.73
Total (\$/bbl)	25.05	26.79	31.30	27.93	33.28	29.49	29.43	28.84	30.10
Revenue (\$mm)									
Natural Gas	5.2	7.1	20.4	32.7	29.4	25.6	27.9	30.0	112.9
Oil	24.8	23.5	24.2	72.6	22.7	25.4	28.9	29.8	106.8
Other	0.3	0.1							
Total	30.4	30.7	44.6	105.7	52.1	51.0	56.9	59.8	219.7
Cost (\$mm)									
Lease operating	6.4	6.4	8.0	20.9	8.0	8.0	8.0	8.0	32.0
Production taxes	1.5	1.7	2.2	5.5	2.6	2.5	2.8	3.0	11.0
General and administrative	4.3	3.0	3.0	10.4	3.0	3.0	3.0	3.0	12.0
Total	12.3	11.2	13.2	36.8	13.6	13.5	13.8	14.0	55.0
EBITDAX (\$mm)	18.0	19.5	31.4	69.0	38.5	37.4	43.0	45.8	164.8
Net interest	2.6	2.4	1.0	6.0	0.3	0.3	0.3	0.3	1.2
Cash Flow (\$mm)	15.4	17.2	30.4	63.0	38.2	37.1	42.7	45.5	163.6
Exploration	0.8	0.3	2.3	3.3	3.5	1.5	1.5	1.5	8.0
Deprec., Deplet., & Amort.	8.3	7.5	9.3	25.1	10.2	11.3	12.6	13.6	47.7
Amort. Financing Cost		0.3	0.5	0.8	0.3	0.3	0.3	0.3	1.2
Other non cash	(5.6)	1.0	41.0	36.4	1.0	1.0	1.0	1.0	4.0
Income before income tax	12.7	8.4	(22.7)	(1.6)	23.1	23.0	27.3	29.2	102.6
Income tax	4.5	3.2	(8.6)	(1.0)	8.8	8.8	10.4	11.1	39.0
Net income (\$mm)	8.3	5.2	(14.1)	(0.6)	14.3	14.3	16.9	18.1	63.6
<i>Costs (\$/bbl)</i>									
Lease operating	5.32	5.61	5.61	5.52	5.11	4.63	4.14	3.86	4.38
Production taxes	1.27	1.52	1.57	1.46	1.66	1.47	1.47	1.44	1.51
General and administrative	3.57	2.65	2.10	2.74	1.92	1.74	1.55	1.45	1.64
Deprec., Deplet., & Amort.	6.84	6.54	6.54	6.63	6.54	6.54	6.54	6.54	6.54
<i>Tax rate</i>	35%	38%	38%		38%	38%	38%	38%	38%

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